



# राजपत्र, हिमाचल प्रदेश

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

खण्ड १७

शिमला, शनिवार, २ अगस्त, १९६९/११ श्रावण, १८९१

[संख्या ३१]

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२ अगस्त, १९६९/११ श्रावण, १८९१ को समाप्त होने वाले सप्ताह में निम्नलिखित विज्ञप्तियां 'असाधारण राजपत्र, हिमाचल प्रदेश' में प्रकाशित हुईं:—

विज्ञप्ति की संख्या	विभाग का नाम	विषय
No. 3-4/69-Elec., dated the 31st July, 1969.	Election Department	Republication of the Election Commission of India's notification Nos. 480/1/69 (1) and 480/1/69 (2) both dated the 25th July, 1969 in English and Hindi.
No. 3-4/69-Elec., dated the 31st July, 1969.	-do-	Republication of the Election Commission of India's notification No. 480/69, dated the 31st July, 1969 in Hindi and English.
No. 3-4/69-Elec., dated the 31st July, 1969.	-do-	Republication of the Election Commission of India's notification No. 480/2/69, dated the 31st July, 1969 in Hindi and English.
No. 3-4/69-Elec., dated the 31st July, 1969.	-do-	Republication of Public Notice of Election to the office of Vice-President of India, dated the 31st July, 1969 in English and Hindi.
No. 3-4/69-Elec., dated the 1st August, 1969.	-do-	Republication of the final list of candidates for election to the office of the President of India for Presidential Election in English and Hindi.

भाग १—वैधानिक नियमों को छोड़ कर हिमाचल प्रदेश के उप-राज्यपाल और हिमाचल बेंच आफ देहली हाई कोर्ट द्वारा अधिसूचनाएं इत्यादि

## हिमाचल प्रदेश सरकार APPOINTMENT DEPARTMENT NOTIFICATIONS Simla-2, the 9th July, 1969

No. 11-4/66-Appnt.—In exercise of the powers conferred by sub-section (1) of section 12 of the Code of Criminal Procedure, 1898 (Act V of 1898) the Administrator (Lieutenant Governor), Himachal Pradesh is pleased to appoint Shri O. P. Yadava, I.A.S., Deputy Com-

missioner, Kinnaur district, to be the Magistrate of First Class, with all the powers of a Magistrate 1st Class, under the said Code, to be exercised within the local limits of Kinnaur district, with immediate effect.

2. In exercise of the powers conferred by sub-section (1) of section 10 of the Code of Criminal Procedure, 1898 (Act V of 1898), the Administrator (Lieutenant Governor) is further pleased to appoint Shri O. P. Yadava, Magistrate of the First Class, to be the District Magistrate of Kinnaur district, with immediate effect.

Simla-2, the 9th July, 1969

**No. 11-4/66-Apptt.**—In exercise of the powers conferred by sub-section (1) of section 10 of the Code of Criminal Procedure, 1898 (Act V of 1898), the Administrator (Lieutenant Governor), Himachal Pradesh is pleased to appoint Shri P. T. Wangdi, I.A.S., Magistrate of the First Class, to be the District Magistrate of Lahaul-Spiti district, with effect from the 30th June, 1969.

PRAKASH CHAND,  
Joint Secretary.

## FOREST DEPARTMENT

## NOTIFICATION

Simla-4, the 19th July, 1969

**No. 3-138/69-SF.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for Karara Kashlog Road, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Lieutenant Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the Acquisition of the said land in the locality may, within thirty days of the publication of this Notification file an objection in writing before the Collector of Mahasu district.

## SPECIFICATION

District: MAHASU

Tehsil: ARKI

Village 1	Khasra No. 2	Area Big. Bis.	
		3	4
GIANA	2/2	1	2
	6/2	1	6
	10/2	1	5
	142/2		
	142/4	0	2
	143/2	0	6
	144/2	0	11
	145/2	0	4
	146/2	0	14
	155/2	3	0
	156/2	0	0
	162/2	0	11
	163/2	0	18
	378/2	0	1
	379/2	0	16
	380/2	0	11
	381/2	0	4
	387/2	2	9
	411/2	0	2
	412/2	1	13
	420/2	0	12
	425/2	0	9
	423/1/2	0	1
	435/2	0	2
	437/2	0	15

1	2	3	4
	438/2	0	9
	439/2	0	18
	440/2	0	11
	442/2	0	5
	458/2	0	11
	459/2	0	16
	476/2	1	0
	477/2	2	2
	708/2	1	13
	709/2	0	16
	709/4	3	6
	710/2	1	4
	710/4	0	11
	728/2	2	18
	728/1/2	1	3
	728/3	0	15
	728/4	1	4
	737/2	1	0
	763/2	0	19
	765/2	0	13
Total		40	8

By order,  
P. K. MATTOO,  
Secretary.

FINANCE DEPARTMENT  
NOTIFICATION

Simla-2, the 23rd July, 1969

**No. Fin. 10-381/57-II.**—The Lieutenant Governor, Himachal Pradesh, with the prior approval of the President of India, is pleased to declare the Deputy Commissioner, Lahaul and Spiti district, Himachal Pradesh to be his own Controlling Officer for purpose of Supplementary Rule 191, with immediate effect.

By order,  
P. R. MAHAJAN,  
Secretary.

INDUSTRIES DEPARTMENT  
NOTIFICATION

Simla-4, the 29th July, 1969

**No. 2-170/69-S.I.**—In exercise of the powers vested in him under section 5 of the Factories Act, 1948, the Lieut. Governor (Administrator), Himachal Pradesh is pleased to grant exemption from the provisions of sections 51, 52, 53, 54, 56 and 79 of the said Act for a period of 3 months in favour of the following factories subject to the following conditions:—

1. Machine Fitting and Welding Shop, Pandoh.
2. Tractor and Shovel Repair Shop, Pandoh.
3. Carrier and Auto Shop, Pandoh.
4. Pipe Shop, Pandoh.

## CONDITIONS

Exemption under section 79 is granted to the extent that leave may be refused where necessary in the exigencies of the service except in case of illness and to provide for accumulation of leave without limit so that the workers do not lose the benefit of leave so refused.

This exemption shall take effect from the date of its issue.

By order,  
P. K. MATTOO,  
Secretary.

PUBLIC WORKS DEPARTMENT  
NOTIFICATION

Simla-1, the 21st June, 1968

**No. PW(B)56-44/63-Jub-I.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh, that the land is required to be taken by the Government

at public expense for a public purpose, namely for construction of Rest House at Rohru, it is hereby declared that the land described in the specification below is required for the above purpose.

2. This declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom it may concern and under the provisions of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh P.W.D. is hereby directed to take order for the acquisition for the said land.

3. A plan of the land may be inspected in the office of the Collector, Land Acquisition, Himachal Pradesh P.W.D., Simla-9.

#### SPECIFICATION

District: MAHASU

Tehsil: ROHRU

Village	Khasra No.	Area Big. Bis.
GANGTOLI	398/117/1	2 7

V. R. VAISH,  
Secretary.

#### [REVENUE DEPARTMENT

#### NOTIFICATION

Simla-2, the 23rd July, 1969

No. 2-12/64-Rev. I.—In supersession of this Department notification of even No., dated the 2nd February, 1967 and in exercise of the powers vested in him under section 3(c) of the Land Acquisition Act, 1894 and all other powers enabling him in this behalf, the Administrator (Lieutenant Governor), Himachal Pradesh is pleased to appoint Shri T. R. Sharma, General Assistant to Deputy Commissioner, Kulu to perform the functions and exercise the powers of a Collector under the said Act within the limit of Kulu district in respect of the all land acquisition works with immediate effect.

By order,  
S. N. BISARYA,  
Under Secretary.

### भाग २—बैधानिक नियमों को छोड़ कर विभिन्न विभागों के अध्यक्षों और जिला मैजिस्ट्रेटों द्वारा अधिसूचनाएं इत्यादि

कार्यालय जिला कलेक्टर, जिला किन्नौर, कल्पा, हिमाचल प्रदेश

अधिसूचना

कल्पा, १७ नवम्बर, १९६७

नं० कनर-१५८/६२(४)२०७४.—मैं, आर० ग्रोवर, जिला कलेक्टर, जिला किन्नौर, कल्पा उन अधिकारों के अन्तर्गत जो मुझे हिमाचल प्रदेश पंचायत नियम ४४ (ख) में प्राप्त हैं, ग्राम पंचायत रिब्बा, तहसील मूरंग के प्रधान पद के हुए चुनाव का परिणाम सर्वसाधारण ग्राम सभा रिब्बा की सूचना हेतु प्रकाशित करता हूँ। यह प्रधान श्री घम्बीर चन्द के मृत्यु के कारण उस पद काल के शेष भाग के लिये पदासीन होंगे, जो अभी बाकी है।

क्रम संख्या	नाम पंचायत	निर्वाचित व्यक्ति का नाम	पद
१	रिब्बा	श्री प्रेम चन्द पुत्र श्री घम्बीर चन्द, रिब्बा, तहसील मूरंग।	प्रधान

आर० ग्रोवर,  
जिला कलेक्टर।

#### OFFICE OF THE REGISTRAR CO-OPERATIVE SOCIETIES (PRIMARIES) KINNAUR DISTRICT KALPA

#### OFFICE ORDER

Kalpa, the 22nd July, 1969

No. Co-op. 1(129)/57-III.—In exercise of the powers conferred on me under section 103 of the Himachal Pradesh Co-operative Societies Act 13 of 1956 read with Notification No. 10-106/60-Co-op., dated the 26th June, 1964, of the Secretary (Co-operation) to Himachal Pradesh Government and under Rule 124 of the Himachal Pradesh Co-operative Societies Rules, 1960, I, Kanwar Satpal Singh, Registrar, Co-operative Societies (Primaries) Kinnaur district, Kalpa extend the period of liquida-

tion proceedings of the Reckong Peo, Public Servants M.P. Co-operative Society Ltd., (under liquidation) from 30-6-1969 to 31-12-1969.

KANWAR SATPAL SINGH,  
Registrar.

#### OFFICE OF THE DEPUTY COMMISSIONER KANGRA DISTRICT

#### NOTICES

Kangra, the 17th July, 1969

No. 716/RAA.—Whereas notices under the proviso to sub-section (1) section 7 of the Requisitioning and Acquisition of Immovable Property Act, 1952 (No. XXX of 1952) as amended up-to-date were issued by the Competent Authority to the persons named in the schedule hereto annexed of Tikka and Mauza Damtal, Tehsil Nurpur, District Kangra, being the owners/interested persons of the property mentioned in the said schedule calling upon them to show cause within the period specified therein why the said property should not be acquired;

And whereas the said period has expired and the cause shown against the said notices has been considered and the parties have been given an opportunity of being heard.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 7 of the said Act, delegated vide Government of India, Ministry of Works, Housing and Supply Gazette Notification No. S.R.O. 2112, dated 19th December, 1952, I, Y. L. Rajwade, I.A.S., Deputy Commissioner, Kangra, having been satisfied that it is necessary so to do, do hereby acquire the said property.

SCHEDULE				1	2	3	4
Sl. No.	Name of land owners/ interested persons	Description of property					
		Khasra No.	Area K. M.				
1	2	3	4				
1.	Sarpanch Gram Panchayat, Village Damtal, Tehsil Nurpur.	331/2	1 14	3.	Mahant Ram Dass Chela Mahant Lachman Dass, Village Damtal, Tehsil Nurpur (Mohtim Mandir) Damtal.	310 316 303/2/1 928/326/2/2 330/3/2/2 932/328/2/1/2 332/2/3 340/2	24 18 2 03 40 15 68 04 17 06 5 13 0 02 51 08
2.	Mahant Ram Dass Chela Mahant Lachman Dass, Vil- lage Damtal, Tehsil Nurpur, Mohtim Mandir Damtal.	303/1 330 2 332/1 340/1 341/3/1 355/1 2/3/2 357/2/3/3 358/1	134 04 22 10 7 09 33 15 6 10 14 16 70 11 20 06				
	Total ..	310	01			Total ...	210 09
				4.	(1) Shri Jamail Singh s/o Shri Sunder Singh, Village Damtal 1/2 share (2) Mahant Ram Dass Chela Mahant Lachman Dass, Damtal 1/2 share (Mohtim Mandir, Damtal).	309	0 17
				5.	Sarpanch Gram Panchayat, Village Damtal, Tehsil Nurpur.	912/315 331/3/1	2 18 0 04
						Total ..	3 02

Kangra, the 19th July, 1969

No. 733/RAA.—Whereas notices under the proviso to sub-section (1) of section 7 of the Requisitioning and Acquisition of Immovable Property Act, 1952 (No. XXX of 1952) as amended up-to-date were issued by the Competent Authority to the persons named in the schedule hereto annexed of Tikka and Mauza Damtal, Tehsil Nurpur. District Kangra being the owners/interested persons of the property mentioned in the said schedule calling upon them to show cause within the period specified therein why the said property should not be acquired;

And whereas the said period has expired and the cause shown against the said notices has been considered and the parties have been given an opportunity of being heard.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 7 of the said Act, delegated vide Government of India, Ministry of Works, Housing and Supply Gazette Notification No. S.R.O. 2112, dated 19th December, 1952, I, Y. L. Rajwade, I.A.S., Deputy Commissioner, Kangra, having been satisfied that it is necessary so to do, do hereby acquire the said property.

## SCHEDULE

Sl. No.	Name of land owners/interested persons	Description of property	
		Khasra No.	Area K. M.
1	2	3	4
1.	M hant Ram Dass, Chela Mahant Lachman Dass, Village Damtal, Tehsil Nurpur (Mohtim Mandir, Damtal).	330/3/1 332/2/2 932/328/1 334/1 353/2	24 10 15 06 1 01 0 19 16 09
	Total ..	58	05
2.	Sarpanch Gram Panchayat, Village Damtal, Tehsil Nurpur.	331/3/2 333/2	2 09 1 17
	Total ..	4	06

Y. L. RAJWADE,  
Deputy Commissioner, Kangra.

उद्योग विभाग, हिमाचल प्रदेश

फार्म 'ज'

अधिसूचना

शिमला, ८ जनवरी, १९६८

पंजाब राज्य उद्योग सहायता अधिनियम, १९३५ की धारा २४  
के अधीन घोषणा

संख्या डी० एल०-२१.—जबकि पंजाब राज्य उद्योग सहायता अधिनियम, १९३५ की धारा २७ के अधीन १४-७-१९६७ को नोटिस दिया गया था, जिम में श्री धर्म वीर सिंह भसीन को ५,००० रु० की राशि ३%, ७-१/२ प्रतिशत वार्षिक ब्याज दर सहित २५-३-६७ से अन्तिम अदायगी की तिथि तक मुझे अदा करने के लिये कहा गया था, और चुकि समस्त उक्त राशि अदा नहीं की गई है, इस लिये मैं घोषणा करता हूँ कि ५,००० रु० की राशि २५-३-६७ से अन्तिम अदायगी की तिथि तक ७-१/२ प्रतिशत वार्षिक ब्याज दर सहित उक्त श्री धर्म वीर भसीन आफ मैसर्स भसीन इन्डस्ट्रीज, सनजौली, शिमला-६ से देये हैं और संलग्न अनुसूचि में निर्दिष्ट सम्पत्ति से उक्त कर्ज की पूर्ति की जा सकती है।

## SCHEDULE

The security offered consists of:

All the assets of the borrower including book debits, stock, shares, premises and machinery whether existing or to be purchased with the amount of loan.

All the assets of loanee and following two sureties.

1. Shri Jagdish Chander s/o Shri Gurmukh Singh, Lower Bazar, Simla.

2. Shri Amar Chand s/o Shri Chuha Ram, The Mall, Simla-1.

Sd/-

Assistant District Industries Officer, Simla.

**PUBLIC WORKS DEPARTMENT  
NOTIFICATIONS**

*Simla-3, the 25th July, 1969*

**No. SE-II-R-54/69-10983-86.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is required to be taken by the Government at public expense for a public purpose, namely for construction of Chopal-Dadahu-Shaloo Road, it is hereby declared that the land described in the specification below is required for the above purpose.

The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provision of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh P.W.D. is hereby directed to take order for the acquisition of the land.

A plan of the land may be inspected in the office of the Collector, Land Acquisition, Himachal Pradesh P.W.D., Simla-9.

**SPECIFICATION**

*District: MAHASU Tehsil: CHOPAL*

Village	Khasra No.	Area Big. Bis.
JANOG	1266/6/1	1 7
	1266/1/1	6 4
	1228/1/1	14 19
	1228/1/3	3 5
	1225/1	0 9
	1225/2	0 3
Total	..	26 7

*Simla-3, the 25th July, 1969*

**No. SE-II-R-54/69-1071-74.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is required to be taken by the Government at public expense for a public purpose, namely for construction of Chopal-Dadahu-Shaloo Road, it is hereby declared that the land described in the specification below is required for the above purpose.

The declaration is made under the provision of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provision of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh P.W.D., is hereby directed to take order for the acquisition of the said land.

A plan of the land may be inspected in the office of the Collector, Land Acquisition, H.P. P.W.D., Simla-9.

**SPECIFICATION**

*District: MAHASU Tehsil: CHOPAL*

Village	Khasra No.	Area Big. Bis.
CHOJAN	2187	0 7
	2186/2/1	0 5
	2188/1/1	0 4
	2195/2194/1	0 13
	2194/23/1	1 2
	2149/1	0 15
	2194/5/1	2 3
	2195/2194/7/1	1 2
	2194/1/1	4 12
	2194/1/5	11 1
	2194/1/2	39 10
	2194/1/8	21 16
	2194/107/1	0 17
Total	..	84 7

*Simla-3, the 25th July, 1969*

**No. SE-II-R-54/69-10979-82.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is required to be taken by the Government at public expense for a public purpose, namely for construction of Chopal-Dadahu-Shaloo Road, it is hereby declared that the land described in the specification below is required for the above purpose.

The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provision of section 7 of the said Act, the Collector, Land Acquisition, H.P. P.W.D., is hereby directed to take order for the acquisition of the land.

A plan of the land may be inspected in the office of the Collector, Land Acquisition, H.P. P.W.D., Simla-9.

**SPECIFICATION**

*District: MAHASU Tehsil: CHOPAL*

Village	Khasra No.	Area Big. Bis.
KANDE	3704/1	0 13
	3708/1/1	35 13
	3708/1/2	24 19
	3707/1	1 19
Total	..	63 4

*Simla-3, the 25th July, 1969*

**No. SE-II-R-54/69-10975-78.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is required to be taken by the Government at public expense for a public purpose, namely for construction of Chopal-Dadahu-Shaloo Road, it is hereby declared that the land described in the specification below is required for the above purpose.

The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provision of section 7 of the said Act, the Collector, Land Acquisition, H.P. P.W.D. is hereby directed to take order for the acquisition of the said land.

A plan of the land may be inspected in the office of the Collector, Land Acquisition H.P. P.W.D., Simla-9.

**SPECIFICATION**

*District: MAHASU Tehsil: CHOPAL*

Village	Khasra No.	Area Big. Bis.
DHARWAR	1189	1 10
	1210	0 9
	1212	0 13
	1188	0 7
	1186	0 5
	1220/1	0 9
	1222/1/1	8 13
	1222/1/2	1 2
	1190/1	0 5
	1211	0 12
	1187	0 2
	1185/1	0 10
Total	...	14 17

M. L. BANSAL,  
Superintending Engineer,  
2nd Circle, H.P. P.W.D.



**PUBLIC WORKS DEPARTMENT  
NOTIFICATIONS**

*Solan, the 22nd July, 1969*

**No. SEB-R-140/68-16550-63.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for the construction of Sataun-Dakpathar Road, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Lieutenant Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector of Land Acquisition, Himachal Pradesh P.W.D., Solan.

**SPECIFICATION**

*District: SIRMUR Tehsil: PAONTA SAHIB*

Village	Khasra No.	Area Big. Bis.
SHAMPUR	36/1	3 2
GORKHWALA.		

*Solan, the 22nd July, 1969*

**No. SEB-R-140/69-16556-59.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for the construction of Sataun-Dakpathar Road, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Lieutenant Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector of Land Acquisition, Himachal Pradesh P.W.D., Solan.

**SPECIFICATION**

*District: SIRMUR Tehsil: PAONTA SAHIB*

Village	Khasra No.	Area Big. Bis.
BAGANI	649/1	1 13
	647/1	0 1
	641/1	0 14
Total ..		2 8

*Solan, the 22nd July, 1969*

**No. SEB-R-140/69-16552-55.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for the construction of Sataun-Dakpathar Road, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Lieutenant Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector of Land Acquisition, Himachal Pradesh P.W.D., Solan.

**SPECIFICATION**

*District: SIRMUR Tehsil: PAONTA SAHIB*

Village	Khasra No.	Area Big. Bis.
PURUWALA	15/1	0 10
Total ..		0 10

*Solan, the 22nd July, 1969*

**No. SE-III-R-140/69-16564-67.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for the construction of Sataun-Dakpathar Road, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provision of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Lieutenant Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector of Land Acquisition, Himachal Pradesh P.W.D., Solan.

**SPECIFICATION**

*District: SIRMUR Tehsil: PAONTA SAHIB*

Village	Khasra No.	Area Big. Bis.
1	2	3 4
POCKA	649/483/1	0 12
	650/483/1	1 0
	651/483/1	0 8
	509/487/1	1 7
	456/1 min.	0 4

1	2	3	4
	458/1	0	2
	456/1 min.	0	4
	499/466/1	0	8
	510/487/1	0	10
	498/466/1	0	3
	475/1	0	19
	474/1	0	9
	512/487/1	0	5
	465/1	0	15
	511/487/1	0	9
	482/1	0	6
	678/450/1	11	13
	457/1 min.	0	13
	457/3	3	6
	462/1	0	10
	484/1 min.	0	15
	484/1 min.	0	15
	484/1 min.	0	15
	457/1 min.	0	12
	Total ..	27	0

Solan, the 22nd July, 1969

No. SEB-R-140/69-16568-71.—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for the construction of Sataun-Dakpathar Road, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section the Lieutenant Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the Acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector of Land Acquisition, Himachal Pradesh P.W.D., Solan.

SPECIFICATION		
District: SIRMUR	Tehsil: PAONTA SAHIB	
Village	Khasra No.	Area Big. Bis.
BHATROG	75/1	3 19
	76/1	0 1
	82/1	0 2
	38/1	0 7
	Total ..	4 9

R. K. SARKAR,  
Superintending Engineer,  
3rd Circle, H.P. P.W.D., Solan.

Dharamsala, the 23rd July, 1969

No. 25-87/Wiii/69(23).—Whereas it appears to the Lieutenant Governor, Himachal Pradesh, that land is required to be taken by the Government at public expenses for a public purpose, namely for construction of Damtal-Kandwal Road, Mile No. 4, R.D. 1750 to -mile No. 11. It is hereby declared that the land in the locality described below is required for the above purpose.

This declaration is made under the provision of section 6 of Land Acquisition Act, 1894 to all whom it may concern and under the provision of section 7 of the said Act, the Collector or Land Acquisition Officer, Kangra is hereby directed to take order for the acquisition of the said land.

Plans of the land may be inspected in the office of the Executive Engineer, Nurgpur Division, H.P.P.W.D., Nurgpur and Land Acquisition Officer, Kangra.

SPECIFICATION		
District: KANGRA	Tehsil: NURPUR	
Village	Tikka	Area Khasra K. M. No.
BHADROWA	Bhadrowa	54 8
THAPKAUR	Thapkaur	32 13
GAGWAL	Gagwal	23 8
HAGWAL	Hagwal	45 13
LODWAN	Lodwan	89 16
BHARIKHAD	Bharikhad	19 11
LAKHANPUR	Lakhanpur	30 2
KANDWAL	Kandwal	38 8
	Total ..	334 19

S. L. KAPOOR,  
Superintending Engineer,  
5th Circle, H.P. P.W.D., Dharamsala.

भाग ३—अधिनियम, विधेयक और विधेयकों पर प्रवर समिति के प्रतिवेदन, वैधानिक नियम तथा हिमाचल प्रदेश के उप-राज्यपाल, हिमाचल बेंच आफ़ देहली हाई कोर्ट, फाइनेंशियल कमिशनर तथा कमिशनर आफ़ इन्कम-टेक्स द्वारा अधिसूचित आदेश इत्यादि

## GENERAL ADMINISTRATION DEPARTMENT NOTIFICATIONS

Simla-2, the 8th July, 1969

No. 13-3/64-GAD.—In continuation of this Government's notification of even number, dated the 27th June, 1968, promulgating thereunder the rules for the administration of the Special Fund for Reconstruction and Rehabilitation of ex-Servicemen set up by the Government of India as issued by the Ministry of Defence with Gazette notification No. S.R.O. 234, dated the 27th September, 1966, the Lieutenant Governor, Himachal Pradesh is pleased to promulgate the amendments in the rules, *ibid*

for the administration of the said Fund, as issued by the Government of India, Ministry of Defence vide Gazette notification No. S.R.O. 239, dated the 12th July, 1968 (copy enclosed) in Himachal Pradesh.

N. C. KAUSHAL,  
Under Secretary.

## GOVERNMENT OF INDIA MINISTRY OF DEFENCE NOTIFICATION

New Delhi, the 12th July, 1968

S.R.O. 239.—In exercise of the powers conferred by

sections 4 and 5 of the Charitable Endowments Act, 1890 (6 of 1890), and upon the application made by the Secretary of the Indian Soldiers', Sailors' and Airmen's Board, Ministry of Defence, acting in the administration of the Special Fund for Reconstruction and Rehabilitation of ex-servicemen and with the concurrence of the said Secretary, the Central Government hereby makes the following amendments in the scheme settled for the administration of the said Fund and published with the notification of the Government of India in the Ministry of Defence, S.R.O. No. 234, dated the 27th September, 1966, namely:—

## AMENDMENTS

In the said Scheme, in Schedule 'B',—

- (a) in paragraph 1, in clause (c), for the words "and unmarried sisters of the Ex-serviceman" the words, "non-earning unmarried sisters, and non-earning parents of the Ex-serviceman" shall be substituted;
- (b) in paragraph 8, in sub-paragraph (a) for the sub-heading "Vice-Chairman" and items (ii) and (iii) occurring thereunder the following shall be substituted, namely:—

*First Vice-Chairman*

- (ii) Chief Secretary; or a senior officer of the State Government or Administration of the status of Secretary deputed by him as his representative.

*Second Vice-Chairman*

- (iii) G.O.C., of an Area, or an Army Officer of the same rank, or Commander of an Independent Sub-Area, or an officer of corresponding rank in the Navy or in the Air Force to be nominated by the Chiefs of the Staff Committee.
- (c) in paragraph 10, in sub-paragraph (i), in clause (b), the expression "in respect of loans/advances sanctioned for its employees from the State revenues" shall be omitted;
- (d) in paragraph 11, for sub-paragraph (c), the following sub-paragraph shall be substituted, namely:—
- "(c) The meeting shall be presided over by the Chairman or in his absence by the First Vice-Chairman of the Managing Committee. In case the Chairman and the First Vice-Chairman are not present in a meeting, it shall be presided over by the Second Vice-Chairman. If none of them is present in a meeting the members present in person shall before the commencement of the proceeding, elect the Chairman of the meeting";

- (e) for paragraph 13, following paragraph shall be substituted, namely:—

*"Appointment of Sub-Committees"*

The Central/State/Union Territory Managing Committee may appoint an Executive Sub-Committee formed from amongst its members to which it may delegate such powers as it may deem fit. It may also appoint an Advisory Sub-Committee formed from amongst its members or their representatives to scrutinize Schemes or other proposals for assistance from the Fund and submit them with its recommendations to the Managing Committee and to advise the Managing Committee on other matters connected with the administration of the Fund.";

- (f) in paragraph 17, for the words "vest it in the Treasurer of Charitable Endowments for India or the concerned State", the words "transfer it to the Treasurer or Chairtable Endowments for India or the concerned State/Union Territory" shall be substituted.

[No. F.12(6)/67/D(A.G.I)],

S. DEVANATH,  
Deputy Secretary.

HOME DEPARTMENT  
NOTIFICATION

Simla-2, the 22nd July, 1969

**No. 15-16/69-Home.**—The Administrator (Lieutenant Governor), Himachal Pradesh is pleased to make the following amendment in the schedule appended with the order of the Punjab Government, Home (Judicial Order), dated the 23rd November, 1962, relating to the constitution of special Tribunals:

## AMENDMENT

For Column III of the schedule the following shall be substituted:—

Name of the members of the special Tribunal.

1. Shri B. D. Sharma, District and Sessions Judge, Kangra.
2. Shri Y. L. Rajwade, District Magistrate, Kangra.
3. ...., Senior Sub-Judge, Dharamsala.

By order,  
U. N. SHARMA,  
Chief Secretary.

भाग ४—स्थानीय स्वायत्त शासन: म्युनिसिपल बोर्ड, डिस्ट्रिक्ट बोर्ड, नोटिफाइड ग्रौर टाउन एरिया तथा पंचायत विभाग

शून्य

## भाग ५—वैयक्तिक अधिसूचनाएं और विज्ञापन

In the Court of Shri A. L. Soni, P. C. S., Senior Sub-Judge, exercising the powers of Insolvency Judge (under the Provincial Insolvency Act) (Act No. 5 of 1920)

Shri Bishamber Nath son of Shri Udho Ram of village Neharan Pukhar, Tehsil Dehra, District Kangra  
Petitioner.

Versus

M/s Atma Ram Shadi Lal, Forest Contractor, 25/3 Lower Bazar, Simla, through Shri Atma Ram Sud and Shadi Lal Partners of the said firm Respondents.

Insolvency case No. 1 of 1969

Creditor's petition under sections 9(1) and 13(2) of Act No. 5 of 1920

To

All concerned.

Whereas in the above insolvency case Shri Kailash Chand Advocate has been appointed as Interim Receiver with the directions that he will take charge all movable and immovable assets of the respondents insolvent. If any body having objections in respect of the appointment of Receiver, be filed on or before 5-8-1969 at 10 A.M. in this court the next date fixed in the case.

Given under my hand and the seal of this court this 30th day of July of 1969.

Seal.

A. L. SONI,  
Insolvency Judge, Simla.



भाग ६—भारतीय राजपत्र इत्यादि में से पुनः प्रकाशन

LAW DEPARTMENT

NOTIFICATION

Simla-2, the 19th February, 1969

**No. 13-12/69-LR.**—The following Acts recently passed by the Parliament which have already been published in the Gazette of India, are hereby republished in the Himachal Pradesh Rajpatra for the information of general public:—

1. The Food Corporation (Amendment) Act, 1968 (57 of 1968).
2. The State Agricultural Credit Corporation Act, 1968 (60 of 1968).
3. The Banking Laws (Amendment) Act, 1968 (58 of 1968).
4. The Deposit Insurance Corporation (Amendment) Act, 1968 (No. 56 of 1968).
5. The Essential Service Maintenance Act, 1968 (59 of 1968).

JOSEPH DINA NATH,  
Under Secretary (Judicial).

Assented to on 28-12-68.

Act No. 57 of 1958.

**THE FOOD CORPORATIONS (AMENDMENT) ACT, 1968**

AN  
ACT

*to amend the Food Corporations Act, 1964 and to declare the Central Government as the appropriate Government under the Industrial Disputes Act, 1947, in relation to the Food Corporation of India.*

Be it enacted by Parliament in the Nineteenth Year of the Republic of India as follows:—

**1. Short title.**—This Act may be called the Food Corporations (Amendment) Act, 1968.

**2. Insertion of new section 12A.**—After section 12 of the Food Corporations Act, 1964 (37 of 1964) the following section shall be inserted, namely:—

*“12A. Special provisions for transfer of Government employees to the Corporation in certain cases.—(1) Where the Central Government has ceased or ceases to perform any functions which under section 13 are functions of the Corporation, it shall be lawful for the Central Government to transfer, by order and with effect from such date or dates (which may be either retrospective to any date not earlier than the 1st January, 1965, or prospective) as may be specified in the order, to the Corporation any of the officers or employees serving in the Department of the Central Government dealing with food or any of its subordinate or attached offices and engaged in the performance of those functions:*

*Provided that no order under this sub-section shall be made in relation to any officer or employee in such Department or office who has, in respect of the proposal of the Central Government to transfer such officer or*

*employee to the Corporation, intimated within such time as may be specified in this behalf by that Government, his intention of not becoming an employee of the Corporation.*

(2) In making an order under sub-section (1), the Central Government shall, as far as may be, take into consideration the functions which the Central Government has ceased or ceases to perform and the areas in which such functions have been or are performed.

(3) An officer or other employee transferred by an order made under sub-section (1) shall, on and from the date of transfer, cease to be an employee of the Central Government and become an employee of the Corporation with such designation as the Corporation may determine and shall, subject to the provisions of sub-sections (4), (5) and (6), be governed by the regulations made by the Corporation under this Act as respects remuneration and other conditions of service including pension, leave and provident fund, and shall continue to be an officer or employee of the Corporation unless and until his employment is terminated by the Corporation.

(4) Every officer or other employee transferred by an order made under sub-section (1) shall, within six months from the date of transfer, exercise his option in writing to be governed,—

(a) by the scale of pay applicable to the post held by him under the Government immediately before the date of transfer or by the scale of pay applicable to the post under the Corporation to which he is transferred,

(b) by the leave, provident fund, retirement or other terminal benefits admissible to employees of the Central Government in accordance with the rules and orders of the Central Government as amended from time to time or the leave, provident fund or other terminal benefits admissible to the employees of the Corporation under the regulations made by the Corporation under this Act,

and such option once exercised shall be final:

Provided that the option exercised under clause (a) shall be applicable only in respect of the post to which such officer or employee is transferred to the Corporation and on appointment to a higher post under the Corporation, he shall be eligible only for the scale of pay applicable to such higher post:

Provided further that if immediately before the date of his transfer any such officer or employee is officiating in a higher post under the Government either in a leave vacancy or in any other vacancy of a specified duration, his pay, on transfer, shall be protected for the unexpired period of such vacancy and thereafter he shall be entitled to the scale of pay applicable to the post under the Government to which he would have reverted or to the scale of pay applicable to the post under the Corporation to which he is transferred, whichever he may opt:

Provided also that when an officer or other employee serving in the Department of the Ministry of the Central Government dealing with food or in any of its attached or subordinate offices is promoted to officiate in higher post in the Department or office subsequent to the transfer to the Corporation of any other officer or employee senior to him in that department or office before such transfer, the officer or other employee who is promoted to officiate in such higher post shall, on transfer to the Corporation, be entitled only to the scale of pay applicable to the post he would have held but for such promotion or the scale of pay applicable to the post under the Corporation to which he is transferred, whichever he may opt.

(5) No officer or other employee transferred by an order made under sub-section (1),—

- (a) shall be dismissed or removed by an authority subordinate to that competent to make a similar or equivalent appointment under the Corporation as may be specified in the regulations made by the Corporation under this Act;
- (b) shall be dismissed or removed or reduced in rank except after an inquiry in which he has been informed of the charges against him and given a reasonable opportunity of being heard in respect of those charges and where it is proposed, after such inquiry, to impose on him any such penalty, until he has been given a reasonable opportunity of making a representation on the penalty proposed, but only on the basis of the evidence adduced during such inquiry;

Provided that this clause shall not apply,—

- (i) where an officer or employee is dismissed or removed or reduced in rank on the ground of conduct which has led to his conviction on a criminal charge; or
- (ii) where the authority empowered to dismiss or remove an officer or employee or to reduce him in rank is satisfied that for some reason, to be recorded by that authority in writing, it is not reasonably practicable to hold such inquiry; or
- (iii) to an officer or employee who, after transfer to the Corporation, is appointed to a higher post under the Corporation in response to an open advertisement and in competition with outsiders.

(6) If, in respect of any such officer or employee as aforesaid, a question arises whether it is reasonably practicable to hold such inquiry as is referred to in sub-section (5), the decision thereon of the authority empowered to dismiss or remove him or to reduce him in rank shall be final.

(7) Nothing contained in sub-section (1) shall apply to the members of the Central Secretariat Service or any other service or to persons on deputation to the Department referred to in that sub-section or to any of its attached or subordinate offices from any Ministry of the Central Government or from any State Govern-

ment or from any organisation.”

**3. Amendment of section 2 of Act 14 of 1947.**—In section 2 of the Industrial Disputes Act, 1947, in sub-clause (i) of clause (a), after the words and figures “the Unit Trust of India Act, 1963, or”, the words and figures “the Food Corporation of India established under section 3, or a Board of Management established for two or more contiguous States under section 16, of the Food Corporations Act, 1964, (37 of 1964) or” shall be inserted.

Assented to on 29-12-1968.

Act No. 60 of 1968.

## THE STATE AGRICULTURAL CREDIT CORPORATIONS ACT, 1968

AN  
ACT

*to provide for the establishment in the States and Union territories of agricultural Credit Corporations and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Nineteenth Year of the Republic of India as follows:—

### CHAPTER I PRELIMINARY

**1. Short title and commencement.**—(1) This Act may be called the State Agricultural Credit Corporations Act, 1968.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different States or for different Union territories.

**2. Definitions.**—In this Act, unless the context otherwise requires,—

- (a) “agricultural marketing society” means a co-operative society the objects of which include the marketing of agricultural produce;
- (b) “agricultural operation” includes animal husbandry, dairy farming, pisciculture and poultry farming;

*Explanation.*—The expression “pisciculture” includes the development of fisheries, both in land and marine, catching of fish and all activities connected therewith or incidental thereto;

- (c) “agricultural processing society” means a co-operative society the objects of which include the processing of agricultural produce;

- (d) “agricultural produce” includes the produce of an agricultural operation;

- (e) “appropriate Government” means,—

- (i) in relation to any Corporation established in a Union territory, the Central Government, and

- (ii) in relation to any Corporation established at any other place, the State Government;

- (f) “banking company” has the meaning assigned to it in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949);

- (g) “Board” means the Board of directors of the Corporation;

- (h) "co-operative farming society" means a co-operative society the objects of which include the cultivation of land on a co-operative basis;
- (i) "Corporation", in relation to a State or Union territory, means the Agricultural Credit Corporation established under section 3 in that State or Union territory, as the case may be;
- (j) "director" means a member of the Board;
- (k) "Food Corporation" means the Food Corporation of India established under the Food Corporations Act, 1964 (37 of 1964);
- (l) "prescribed" means prescribed by rules made under this Act;
- (m) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (2 of 1934);
- (n) "Subsidiary Bank" has the meaning assigned to it in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);
- (o) "Central Co-operative Bank", "Co-operative Bank", "Co-operative Society", "Primary Agricultural Credit Society", "Scheduled Bank", "State Bank" and "State Co-operative Bank", have the meanings respectively assigned to them in section 2 of the Reserve Bank of India Act, 1934 (2 of 1934)

## CHAPTER II

### INCORPORATION OF STATE AGRICULTURAL CREDIT CORPORATIONS AND THEIR CAPITAL

**3. Establishment of State Agricultural Credit Corporations.**—(1) The appropriate Government may, by notification in the Official Gazette, establish in any State or Union territory an Agricultural Credit Corporation under such name as may be specified in the notification:

Provided that no such Corporation shall be established in any State or Union territory other than the States of Assam, Bihar, Orissa, Rajasthan and West Bengal and the Union territories of Manipur and Tripura, except with the previous approval of the Central Government, and no such approval shall be given by the Central Government except after consultation with the Reserve Bank.

(2) The Corporation established under this Act shall be a body corporate by the name specified in the notification referred to in sub-section (1), having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, and to contract, and may by that name sue or be sued.

**4. Head office and other offices.**—(1) The Corporation shall establish its head office at such place in the State or Union territory as the appropriate Government may, after consultation with the Reserve Bank, specify.

(2) The Corporation may, after consultation with the appropriate Government, establish offices or agencies at other places in the State or Union territory, as the case may be.

**5. Share capital and shareholders.**—(1) The authorised capital of each Corporation shall be such sum as the appropriate Government may initially fix but it shall, in no case, be less than one crore of rupees or more than five crores of rupees:

Provided that where the authorised capital initially fixed is less than five crores of rupees, the appropriate Government may, from time to time, increase the authorised capital to such sum not exceeding five crores of rupees:

Provided further that where the appropriate Government is not the Central Government, the initial fixation of the authorised capital and any subsequent increase or reduction thereof, shall be made with the prior approval of the Central Government.

(2) The authorised capital of each Corporation shall be divided into such number of shares as the appropriate Government may determine and shall be issued as fully paid-up shares to the parties mentioned in sub-section (3) at such times and in such manner and to such extent as the appropriate Government may determine and each of such shares shall have the same face value.

(3) Out of the capital issued under sub-section (2),—

- (a) in the case of a Corporation established in a State, the Central Government shall subscribe for thirty per cent of the share capital, and in the case of a Corporation established in a Union territory, the Central Government shall subscribe for fifty per cent, of the share capital;
- (b) the Reserve Bank shall subscribe for twenty per cent of the share capital;
- (c) in the case of a Corporation established in a State, the State Government shall subscribe for twenty per cent of the share capital;
- (d) the Food Corporation, State Bank, subsidiary banks and banking companies may subscribe for, in the aggregate, thirty per cent of the share capital:

Provided that none of the said parties shall subscribe for more than fifteen per cent of the share capital.

(4) The parties referred to in sub-section (3) shall subscribe for the shares before such date as may be specified in this behalf by the Central Government by notification in the Official Gazette.

(5) Subject to the provisions of sub-section (3), the Central Government shall determine the number of shares which are to be allotted to the parties referred to in clause (d) of that sub-section:

Provided that if any of the parties referred to in clause (d) of sub-section (3) fails to subscribe, by the date specified by the Central Government under sub-section (4), for any share allotted to it, such share shall be subscribed for by the Central Government the Reserve Bank and the appropriate Government in such proportions as may be determined by the Central Government:

Provided further that the shares subscribed for by the Central Government, the Reserve Bank and the appropriate Government, in pursuance of the provisions of the foregoing proviso, may be transferred to any party who is eligible under clause (d) of sub-section (3) to subscribe

for such shares in the first instance, so, however, that the total number of shares held by any of the parties referred to in that clause does not exceed fifteen per cent of the share capital of the Corporation.

**6. Restrictions on transfer of shares.**—Save as otherwise provided in the second proviso to sub-section (5) of section 5, the shares of the Corporation shall not be transferable.

### CHAPTER III

#### MANAGEMENT OF THE CORPORATION

**7. Management.**—(1) The general superintendence, direction and management of the affairs and business of the Corporation shall vest in a Board of directors to may exercise all the powers and discharge all the functions which may be exercised or discharged by the Corporation other than those which are expressly directed or required by this Act to be done by the Corporation in general meeting.

(2) The Board in discharging its functions shall act on business principals, regard being had to public interest.

**8. Corporation to be guided by directions by Central Government.**—In the discharge of its functions, the Corporation shall be guided by such directions in matters of policy involving public interest as the Central Government may, in consultation with the Reserve Bank, give to it in writing and, if any question arises whether a direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

**9. Constitution of Board.**—The Board of directors of the Corporation shall consist of the following, namely:—

- (a) one director to be nominated by the Central Government who shall be the Chairman of the Board;
- (b) two directors nominated by the appropriate Government, one of whom shall be a person who has special knowledge of co-operation and who is not an employee of the Central or State Government or of the Reserve Bank, State Bank, subsidiary bank, banking company, or Food Corporation;
- (c) one director to be nominated by the Reserve Bank;
- (d) two directors to be elected in such manner as may be prescribed by the parties subscribing for shares in pursuance of the provisions of clause (d) of sub-section (3), and sub-section (5) of section 5;
- (e) a managing director, to be appointed by the Central Government and, except in the case of first appointment, after consultation with the Board:

Provided that, in appointing a managing director of a Corporation established in a State, the Central Government may also consult the Government of that State.

**10. Managing director.**—(1) The managing director shall:—

- (a) be a whole-time officer of the Corporation;
- (b) perform such duties as the Board may, by regulations or otherwise, assign to him;
- (c) hold office for such term, not exceeding three

years, as the Central Government may specify at the time of the appointment and be eligible for re-appointment;

(d) receive such salary and allowances and be governed by such terms and conditions of service as the Central Government may—

- (i) in the case of first appointment determine, or
- (ii) in the case of any subsequent appointment determine after consultation with the Board;

(2) The Central Government may, after consultation with the Board and for sufficient cause, remove the managing director from office:

Provided that no managing director shall be so removed unless he has been given an opportunity of showing cause against his removal.

(3) If the managing director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the Central Government may, after consultation with the Board, appoint another person to act in his place during his absence.

**11. Term of office of directors other than managing director.**—(1) A nominated director, other than the managing director, shall hold office during the pleasure of the authority nominating him and the period of such office, unless terminated earlier, shall be two years:

Provided that a nominated director shall be eligible for re-nomination.

(2) An elected director shall hold office for a period of two years from the date of his election:

Provided that an elected director shall continue in office until the election of his successor.

**12. Disqualifications.**—No person shall be a director, who,—

- (a) except in the case of the managing director, is a salaried official of the Corporation, or
- (b) is, or at any time has been, adjudged insolvent or has suspended payment of his debts or has compounded with his creditors, or
- (c) is of unsound mind and stands so declared by a competent court, or
- (d) is or has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude.

**13. Vacation of seats of directors.**—(1) If a director,—

- (a) becomes subject to any disqualification specified in section 12, or
- (b) is absent without leave of the Board for more than three consecutive meetings thereof,

his seat shall thereupon become vacant.

(2) The managing director or any other director may resign his office by giving notice thereof in writing to the authority by which he was appointed or nominated, or if he is a director elected under clause (d) of section 9, to the Board, and on such resignation being accepted, shall be deemed to have vacated his office.

**14. Executive Committee and other committees of the Corporation.**—(1) The Board may constitute

an Executive Committee consisting of the Chairman of the Board, who shall be the Chairman thereof, the managing director and two other directors, one of whom shall be a person nominated by the appropriate Government under clause (b) of section 9.

(2) The Executive Committee shall discharge such functions as may be prescribed, or may be delegated to it, by the Board.

(3) The Board may constitute such other committees, whether consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons, as it may think fit for such purposes as it may decide.

**15. Meetings of Board and committees.—**(1) The Board or the Executive Committee or any other committee shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(2) Three directors personally present at any meeting of the Board and two members personally present at a meeting of a committee shall be the quorum for such meeting.

(3) If, for any reason, the Chairman of the Board or of any committee is unable to attend any meeting of the Board or the Committee, as the case may be, the members present at the meeting shall elect one of them to preside at the meeting.

(4) If for any reason a director nominated under clause (a), clause (b) or clause (c) of section 9 is unable to attend any meeting of the Board or of any committee if he is a member thereof, the Government or the Reserve Bank by which such director was nominated may depute any other person to attend such meeting and the person so deputed shall, for the purposes of the said meeting, be deemed to be a director nominated under clause (a), clause (b) or clause (c), as the case may be, of the said section 9 or a member of the committee concerned.

(5) All questions which may come up before any meeting of the Board or a committee shall be decided by a majority of votes of the members present, and in the event of an equality of votes, the Chairman of the Board or of the Committee, as the case may be, or in his absence the person presiding, shall have a second or casting vote.

**16. Directors of Board or members of a committee not to vote in certain cases.—**Every director or member of a committee who has any direct or indirect pecuniary or other interest in any matter coming up for consideration at a meeting of the Board or a committee shall, as soon as possible, after the relevant facts or circumstances have come to his knowledge, disclose the nature of his interest at such meeting and the disclosure so made shall be recorded in the minutes of the meeting of the Board or of the Committee, as the case may be, and no such director or member shall thereafter take any part in any deliberation or decision of the Board or committee with respect to that matter nor shall his presence at such meeting be taken into account for the purpose of determining the quorum

for the meeting at the time of such deliberation or voting, and if he does vote, his vote shall be void:

Provided that nothing contained in this section shall apply to such director or member of a committee by reason only of his being a shareholder holding not more than two per cent of the paidup capital in any public company as defined in the Companies Act, 1956, (1 of 1956) or in any other Corporation established by any law for the time being in force in India or in any co-operative society, with which or to which the Corporation has entered into or made, or proposes to enter into or make, a contract, loan, arrangement or proposal.

**17. Defects in appointments not to invalidate acts, etc.—**(1) No act or proceeding of the Board or of any of its committees shall be questioned or be invalid on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board or the committee, as the case may be.

(2) No act done by any person acting in good faith as a director or member of any committee shall be deemed to be invalid merely on the ground that he was disqualified to be a director or member or that there was any other defect in his nomination or appointment.

**18. Fees and allowances of directors and members of committees.—**Every director and every member of a committee shall be paid such fees and allowances as the Board may, by regulations, determine, for attending the meetings of the Board or, as the case may be, any of its committees, or attending to any other work of the Corporation:

Provided that no fees shall be paid to the Chairman, managing director or any other director, if he is an officer of the Government, Reserve Bank, State Bank, subsidiary bank, banking company or Food Corporation.

## CHAPTER IV

### BUSINESS AND FUNDS OF THE CORPORATION

**19. Business which the Corporation may transact.—**Subject to the provisions of this Act, the Corporation may transact the following kinds of business, namely:—

- (a) the granting of loans and advances, repayable within a period, not exceeding five years, to agriculturists, agricultural marketing societies, agricultural processing societies, Central Co-operative Banks, co-operative farming societies, or primary agricultural credit societies for agricultural operations or for such other operations connected therewith as the Board may by regulations determine;
- (b) the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not;



- (c) the granting and issuing of letters of credit and acquiring, holding, issuing on commission, under writing and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;
- (d) the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others, the negotiating of loans and advances, the receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise, providing of safe deposit vaults, and collecting and transmitting money and securities;
- (e) the carrying on of agency business of any description including the clearing and forwarding of goods, giving of receipts and discharges;
- (f) the entering into contracts of indemnity, suretyship or guarantee with specific security or otherwise;
- (g) receiving in consideration of the services mentioned in clauses (b), (c), (d), (e) and (f) such commission as may be agreed upon;
- (h) managing or selling of any property which may come into the possession of the Corporation in satisfaction or part satisfaction of any of its claims;
- (i) acquiring or holding of any property or any right, title or interest in any property which may from the security or a part of the security for any loan or advance or which may be connected with any business of the Corporation;
- (j) any other kind of business which the Central Government may, on the recommendation of the Reserve Bank, authorise;
- (k) generally the doing of such things and matters as may be incidental to or consequential upon the discharge of its functions under this Act.

**20. Borrowing by the Corporation.**—Subject to the provisions of this Act, the Corporation may, for the purposes of carrying out its functions under this Act:—

- (a) re-discount with or sell to the Reserve Bank or borrow money from that Bank and for that purpose, the Corporation shall be deemed to be a State Co-operative Bank within the meaning of clause 2 (a), clause 2 (b), clause 2(bb) and clause (4) of section 17, sub-section (2) of section 46A and sub-section (2) of section 46B of the Reserve Bank of India Act, 1934 (2 of 1934);
- (b) borrow money from the Central Government or the State Government or such other authority or institution as approved in this behalf by the Central Government, on such terms and conditions as may be agreed upon.

**21. Deposits with the Corporation.**—The Corporation may, with the prior approval of the Reserve Bank, accept deposits from the appropriate Government, a local

authority or any other person whether incorporated or not.

**22.—Limits on borrowings and deposits.**—The aggregate of the amounts borrowed and deposits accepted by the Corporation and outstanding shall not at any time exceed ten times the amount of the paid-up share capital and the reserve fund of the Corporation or, with the prior approval of the Central Government, fifteen times the amount of such paid-up share capital and reserve fund.

**23. Corporation to maintain two funds.**—The Corporation shall establish two separate funds, namely:—

- (a) Agricultural Credit (Stabilisation) Fund (hereinafter referred to as the Stabilisation Fund), and
- (b) Reserve Fund.

**24. Stabilisation Fund.**—(1) To the Stabilisation Fund shall be credited such sum, not being less than ten and not more than fifteen per cent as the Corporation may deem fit from out of its net annual profits before declaring a dividend.

(2) Subject to such conditions as may be specified by the Board by regulations, the amount lying to the credit of the Stabilisation Fund shall be utilised solely for the purpose of making loans or advances with a view to enabling any co-operative society or other person to pay its or his dues in cases where, in the opinion of the Corporation, such society or other person is unable to pay such dues in time owing to drought, famine or other natural calamities.

**25. Reserve Fund.**—(1) To the Reserve Fund shall be credited such sums not being more than fifteen per cent as the Corporation may deem fit out of its net annual profits before declaring a dividend.

(2) The amounts lying to the credit of the Reserve Fund shall be utilised solely for such purposes as the Board may by regulations specify.

**26. Payment of dividend.**—After making provision for bad and doubtful debts, depreciation of assets and all other matters which are usually provided for by bankers, and after crediting to the Stabilisation Fund under section 24 and to the Reserve Fund under section 25, the Corporation may, out of its annual net profits, declare a dividend.

**27. Investment of surplus funds.**—All moneys belonging to the Corporation which may not, for the time being be required by it shall be—

- (a) deposited with the Reserve Bank or with any agency of the Reserve Bank or in consultation with the Reserve Bank with a Scheduled Bank, State Co-operative Bank or Central Co-operative Bank; or
- (b) invested in the securities of the Central Government or any State Government or in securities in which a trustee may invest money under clause (a), clause (b), clause (bb), clause (c)

or clause (d) of section 20 of the Indian Trusts Act, 1882 (2 of 1882); or

- (c) utilised in such other manner as may be approved by the Reserve Bank.

**28. Recovery of moneys due to the Corporation.**—Where any amount is due to the Corporation in respect of loans or advances or other financial accommodation granted by it to any person, the Corporation or any person authorised by it in writing in this behalf, may, without prejudice to any other mode of recovery, make an application to the appropriate Government for the recovery of the amount due to it, and if the appropriate Government, or such authority, as that Government may specify in this behalf, is satisfied, after following such procedure as may be prescribed, that any amount is so due, it may issue a certificate for that amount to the Collector, and the Collector shall proceed to recover that amount in the same manner and under the same condition as if it were an arrear of land revenue.

**29. Acquisition or transfer by the Corporation of business, assets and liabilities from or to co-operative societies.**—(1) Subject to the provisions of any law relating to co-operative societies for the time being in force, the Corporation may—

- (a) acquire the whole or any part of the business, including the assets and liabilities of a co-operative society;
- (b) transfer the whole or any part of its business, including its assets or liabilities to a co-operative society.

(2) The terms and conditions relating to such acquisition or transfer, if agreed upon by the Board and the co-operative society concerned shall be submitted to the Reserve Bank for its approval and that Bank may by order in writing (hereafter in this section referred to as the order of approval) accord its approval thereto:

Provided that where such acquisition or transfer involves the acquisition of the assets of the co-operative society or a transfer of the liabilities of the Corporation to the co-operative society, no such approval shall be accorded by the Reserve Bank, unless it is satisfied that—

- (i) the co-operative society has given notice of the proposed acquisition or transfer, in such manner as may be provided under the law relating to co-operative societies applicable to it, to all its members and creditors, giving them the option, of demanding payment of this share or dues, as the case may be, and
- (ii) all the members and creditors have assented to the proposal or deemed to have assented thereto by virtue of any member or creditor failing to exercise his option within such period as may be specified in accordance with such law relating to co-operative societies for the time being in force.

(3) The terms and conditions as approved by the Reserve Bank shall come into effect from the date specified by the Bank in this behalf in the order of

approval and be binding upon the Corporation and its shareholders and creditors and if such law relating to co-operative societies so provides be binding also upon the co-operative society and its shareholders and creditors.

(4) If for any reason the terms and conditions cannot come into effect on the date specified in the order of approval, the Reserve Bank may fix another suitable date for that purpose.

(5) On the date on which the terms and conditions as aforesaid come into effect, the business, assets and liabilities of the Corporation, or as the case may be, the co-operative society concerned, shall, by virtue of and in accordance with the provisions of the aforesaid order of approval, and if such law relating to co-operative societies so provides, stand transferred to, and become the business, assets and liabilities of the co-operative society or the Corporation, as the case may be.

## CHAPTER V

### GENERAL MEETINGS

**30. General meetings.**—(1) A general meeting (in this Act referred to as an annual general meeting) of the Corporation shall be held at the Head Office of the Corporation within three months from the date on which the annual accounts of the Corporation are closed, and any other general meeting may be convened by the Board at any other time:

Provided that the Central Government may extend the time within which any annual general meeting shall be held, by a period not exceeding one month.

(2) The shareholders present at an annual general meeting shall be entitled to discuss the balance-sheet and profit and loss account of the Corporation, the report of the Board on the working of the Corporation for the period covered by the accounts and the auditor's report on the balance-sheet and accounts.

## CHAPTER VI

### ACCOUNTS, AUDIT AND RETURNS

**31. Accounts.**—(1) The balance-sheet and accounts including the profit and loss account of the Corporation shall be prepared and maintained in such form and manner as may be prescribed.

(2) The Board shall cause the books and accounts of the Corporation to be balanced and closed on the thirtieth day of June each year.

**32. Audit.**—(1) The accounts of the Corporation shall be audited by an auditor duly qualified to act as auditor under sub-section (1) of section 226 of the Companies Act, 1956 (1 of 1956) who shall be appointed by the Board with the previous approval of the Reserve Bank and shall receive such remuneration from the Corporation as the Board may, with the approval of the Reserve Bank, fix:

Provided that the first auditor shall be appointed by the Central Government within one month from the establishment of the Corporation on such terms and conditions as the Central Government may determine.

(2) The auditor so appointed shall hold office from the conclusion of the annual general meeting of the Corporation until the conclusion of the next annual general meeting:

Provided that the first auditor shall hold office until the conclusion of the first annual general meeting.

(3) The Corporation shall supply its auditor with a copy of its annual balance-sheet and it shall be the duty of the auditor to examine such balance-sheet together with the accounts and vouchers relating thereto and he shall have a list delivered to him of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts, vouchers and other documents of the Corporation.

(4) The auditor may, in relation to the accounts of the Corporation of which he is the auditor, examine any director or any officer or employee of the Corporation and shall be entitled to require from the officers of the Corporation such information and explanation as he may think necessary for the performance of his duties.

(5) The auditor shall make a report to the Corporation upon the annual balance-sheet and accounts examined by him and in every such report he shall state whether in his opinion the accounts exhibit a true and fair view,—

- (a) in the case of the balance-sheet, of the state of affairs of the Corporation at the end of the year, and
- (b) in the case of the profit and loss account, of the profit or loss for the year, and, in case he had called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(6) Without prejudice to anything contained in the preceding sub-sections, the Comptroller and Auditor-General of India may, if so requested by the Central Government, examine and report upon the accounts of the Corporation and any expenditure incurred by him in connection with such examination and report shall be payable by such Corporation to the Comptroller and Auditor-General of India.

**33. Returns.**—(1) The Corporation shall furnish, from time to time, to the appropriate Government and to the Reserve Bank such returns as the appropriate Government or the Reserve Bank may require.

(2) The Corporation shall furnish to all its shareholders within three months from the date on which the annual accounts of the Corporation are closed, or within such further time not exceeding one month as the Central Government may specify, a copy of the balance-sheet as at the close of that year and a profit and loss account for the year, the auditor's report and a report of the Board on the working of the Corporation during the year, and copies of the said balance-sheet, profit and loss account and reports shall be published in the Official Gazette.

(3) The Corporation shall furnish a statement in such form as may be prescribed of its assets and liabilities as

at the close of business on the last Friday of each month or if that day is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881), as at the close of business at the preceding working day, to the Reserve Bank within ten days from the date to which the statement relates.

## CHAPTER VII

### APPLICATION OF CERTAIN ACTS TO THE CORPORATION

**34. Certain provisions of the Banking Regulation Act, 1949, to apply to the Corporation.**—The provisions of sections 8, 9, 20, 20A, 21, 23, 24, 26, 34A, 35 [excluding sub-section (4)], 35A, clause (a) of sub-section (1) of section 36, and sections 46, 47, 50, 53 and 54 of the Banking Regulation Act, 1949 (10 of 1949), shall apply to or in relation to the Corporation as they apply to or in relation to Co-operative Banks.

**35. Certain provisions of the Reserve Bank of India Act, 1934, to apply to the Corporation.**—The provisions of sections 18 and 42 of the Reserve Bank of India Act, 1934 (2 of 1934), shall apply to or in relation to the Corporation as they apply to or in relation to a State Co-operative Bank.

**36. Reserve Bank of India Act, 1934 and Banking Regulation Act, 1949, not to apply except as otherwise provided.**—Save as otherwise provided in this Act, nothing contained in the Reserve Bank of India Act, 1934 (2 of 1934), and the Banking Regulation Act, 1949 (10 of 1949), shall apply to or in relation to the Corporation.

**37. The Bankers' Books Evidence Act, 1891 to apply.**—The Bankers' Books Evidence Act, 1891 (18 of 1891), shall apply to or in relation to the Corporation as it applies to or in relation to a bank as defined in section 2 of that Act.

**38. Corporation to be deemed to be a co-operative society for the purposes of Income-tax Act, 1961.**—For the purposes of the Income-tax Act, 1961 (43 of 1961), or any other enactment for the time being in force relating to any tax on income, profits or gains the Corporation shall be deemed to be a co-operative society.

**39. Court, Tribunal, etc., not to require production of report on inspection made by the Reserve Bank.**—Notwithstanding anything contained in the Indian Evidence Act, 1872 (1 of 1872), or any other law for the time being in force, no Court, Tribunal or other authority shall have power to require the Corporation, the Reserve Bank or any officer of the Corporation, or the Reserve Bank to produce before such Court, Tribunal or other authority the report of any inspection, or any copy thereof, made by the Reserve Bank in pursuance of section 35 of the Banking Regulation Act, 1949 (10 of 1949), as applied to the Corporation under section 34.

## CHAPTER VIII

### MISCELLANEOUS

**40. Declaration of fidelity and secrecy.**—Every director, member of a committee, auditor, officer or

other employee of the Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule.

**41. Indemnity of director.**—(1) Every director shall be indemnified by the Corporation against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default.

(2) A Director shall not be responsible for anything done or omitted to be done by any other director or officer or other employee of the Corporation or for any loss or expenses resulting to the Corporation by the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Corporation in good faith, or by the wrongful act of any auditor or any person under obligation to the Corporation, or by anything done in good faith in the execution of the duties of his office or in relation there to.

**42. Protection of action taken in good faith.**—No suit or other legal proceeding shall lie against the Corporation or the Central or State Government or the Reserve Bank or any director or officer of the Corporation or of the Central or State Government or of the Reserve Bank, or any other person authorised by the Corporation to discharge any functions under this Act, for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

**43. Liquidation of the Corporation.**—(1) No provision of law relating to the winding up of companies or corporations shall apply to the Corporation and the Corporation shall not be placed in liquidation save by order of the Central Government made in consultation with the State Government and in such manner as it may direct.

(2) Without prejudice to the provisions of subsection (1), any order made by the Central Government for the liquidation of a Corporation may provide for all matters for effectively winding up the affairs of the Corporation including the repayment of capital, disposal of any fund established under this Act, the transfer of the business, property, assets and liabilities, rights, interests, privileges and obligations of whatever nature of the Corporation to such institution or institutions as the Central Government may direct and payment, receipt or disposal of compensation arising out of such transfer.

**44. Reserve Bank to submit report.**—The Reserve Bank shall, on the expiry of a period of three years, from the date of establishment of the Agricultural Credit Corporation in a State or Union territory and thereafter at an interval of three years and within such time as the Central Government may specify, submit a report to that Government as to the working of the Corporation and forward a copy thereof to the State Government concerned.

**45. Staff of the Corporation and delegation of powers.**—(1) The Corporation may appoint such

officers, advisers and employees as it considers necessary for the efficient performance of its function and determine, by regulations or otherwise, their conditions of appointment and service and the remuneration payable to them.

(2) The Board may, by general or special order, delegate to the Managing Director or to any other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified, such of its powers and duties under this Act as it may deem necessary.

**46. Power of the Central Government to make rules.**—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particulars, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) functions which shall be discharged by the Executive Committee;
- (b) rules of procedure with regard to the transaction of business at a meeting of the Board;
- (c) rules of procedure with regard to the transaction of business at a meeting of any committee constituted by the Board;
- (d) the procedure to be followed by the appropriate Government or the authority specified by the appropriate Government for issuing the certificate under section 28;
- (e) the manner in which the general meeting shall be convened, the quorum therefor, the procedure to be followed thereat and the manner in which voting rights may be exercised;
- (f) form and manner in which accounts shall be maintained the balance-sheet and profit and loss account shall be prepared;
- (g) form in which statement of assets and liabilities shall be furnished;
- (h) any other matter which is required to be, or may be prescribed.

(3) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rules shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**47. Power of the Board to make regulations.**—

(1) The Board may, after consultation with the Reserve Bank, make regulations not inconsistent with the provisions of this Act and the rules made thereunder, to provide for all matters for which provision is necessary

or expedient for the purposes of giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing provisions such regulations may provide for all or any of the following matters namely:—

- (a) duties which the managing director shall perform;
- (b) fees and allowances which may be paid to every director for attending any meeting of the Board or any committee thereof or for attending to any other work of the Corporation;
- (c) duties, conduct, salaries and allowances and conditions of service of officers and other employees of the Corporation;
- (d) establishment and maintenance of provident and other benefit funds for the employees of the Corporation;
- (e) the delegation of powers and functions to the officers and employees of the Corporation;
- (f) the purposes connected with agricultural purposes for which the Corporation may grant loans and advances;
- (g) the conditions subject to which the amount in the Stabilisation Fund may be utilised;
- (h) the manner in which the amount in the Reserve Fund may be utilised;
- (i) conditions which the Corporation may impose on any loan or advance made by it;
- (j) any other matter which is, or may be, necessary for the efficient conduct of the affairs of the Corporation.

(3) Notwithstanding anything contained in sub-section (1), the Reserve Bank may at any time within three months from the commencement of this Act make regulations with regard to any of the matters specified in sub-section (2) but the regulations so made may be rescinded or modified by the Board in exercise of the powers conferred on it by sub-section (1).

**48. Amendment of Act 10 of 1963.**—In clause (f) of section 2 of the Agricultural Refinance Corporation Act, 1963, after sub-clause (ii), the following sub-clause shall be inserted, namely:—

“(iii) an Agricultural Credit Corporation established under section 3 of the State Agricultural Credit Corporations Act, 1968.”.

### THE SCHEDULE

(See section 40)

I,....., do hereby declare that I will faithfully, truly and to the best of my judgment, skill and ability execute and perform the duties required of me as a director, officer, employee or auditor (as the case may be) of the Agricultural Credit Corporation and which properly relate to any office or position in the said Corporation held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally

entitled thereto any information relating to the affairs of the Corporation nor will I allow such person to inspect or have access to, any books or documents belonging to, or in the possession of, the Corporation and relating to the business of the Corporation.

Signature.

Signed before me.

Date.....

**Assented to on 28-12-1968.  
Act 58 of 1958.**

## THE BANKING LAWS (AMENDMENT) ACT, 1968

AS PASSED BY THE HOUSES OF PARLIAMENT

AN

ACT

*further to amend the Banking Regulation Act, 1949, so as to provide for the extension of social control over banks and for matters connected therewith or incidental thereto, and also further to amend the Reserve Bank of India Act, 1934, and the State Bank of India Act, 1955.*

BE it enacted by Parliament in the Nineteenth Year of the Republic of India as follows:—

### CHAPTER I

#### PRELIMINARY

**1. Short title and commencement.**—(1) This Act may be called the Banking Laws (Amendment) Act, 1968.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the Act.

### CHAPTER II

AMENDMENTS TO THE BANKING REGULATION ACT, 1949

**2. Amendment of section 5.**—In the Banking Regulation Act, 1949 (10 of 1949) hereinafter in this Chapter referred to as the principal Act), in section 5,—

(i) after clause (c), the following clause shall be inserted, namely:—

“(ca) “banking policy” means any policy which is specified from time to time by the Reserve Bank in the interest of the banking system or in the interest of monetary stability or sound economic growth, having due regard to the interests of the depositors, the volume of deposits and other resources of the bank and the need for equitable allocation and the efficient use of these deposits and resources;”;



- (ii) after clause (g), the following clause shall be inserted, namely:—

“(gg) “managing agent” includes,—

- (i) secretaries and treasurers,
- (ii) where the managing agent is a company, any director of such company and any member thereof who holds substantial interest in such company,
- (iii) where the managing agent is a firm, any partner of such firm;”;

- (iii) to clause (h), the following proviso shall be added, namely:—

“Provided that the managing director shall exercise his powers subject to the superintendence, control and direction of the Board of directors.”;

- (iv) after clause (n), the following clauses shall be inserted, namely:—

“(na) “small-scale industrial concern” means an industrial concern in which the investment in plant and machinery is not in excess of seven and a half lakhs of rupees or such higher amount, not exceeding twenty lakhs of rupees, as the Central Government may, by notification in the Official Gazette, specify in this behalf, having regard to the trends in industrial development and other relevant factors;

(nb) “subsidiary bank” has the meaning assigned to it in the State Bank of India (Subsidiary Banks) Act, 1959; (80 of 1959);

(nc) “substantial interest”.—

- (i) in relation to a company means the holding of a beneficial interest by an individual or his spouse or minor child, whether singly or taken together, in the shares thereof the amount paid-up on which exceeds five lakhs of rupees or ten per cent of the paid-up capital of the company, whichever is less;

- (ii) in relation to a firm, means the beneficial interest held therein by an individual or his spouse or minor child, whether singly or taken together, which represents more than ten per cent of the total capital subscribed by all the partners of the said firm;”.

**3. Insertion of new sections 10A, 10B, 10C and 10D.**—After section 10 of the principal Act, the following sections shall be inserted, namely:—

“10A. Board of directors to include persons with professional or other experience.—(1) Notwithstanding anything contained in any other law for the time being in force, every banking company,—

- (a) in existence on the commencement of section 3 of the Banking Laws (Amendment) Act, 1968, or

- (b) which comes in to existence thereafter, shall comply with the requirements of this section:

Provided that nothing contained in this sub-section shall apply to a banking company referred to in clause (a) for a period of three months from such commencement.

- (2) Not less than fifty-one per cent of the total number of members of the Board of directors of a banking company shall consist of persons, who—

- (a) shall have special knowledge or practical experience in respect of one or more of the following matters namely:—

- (i) accountancy,
- (ii) agriculture and rural economy,
- (iii) banking,
- (iv) co-operation,
- (v) economics,
- (vi) finance,
- (vii) law,
- (viii) small-scale industry,
- (ix) any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the banking company:

Provided that out of the aforesaid number of directors, not less than two shall be persons having special knowledge or practical experience in respect of agriculture and rural economy, co-operation or small-scale industry; and

- (b) shall not—

- (1) have substantial interest in, or be connected with, whether as employee, manager or managing agent,—

- (i) any company, not being a company registered under section 25 of the Companies Act, 1956 (1 of 1956), or

- (ii) any firm,

which carries on any trade, commerce or industry and which, in either case, is not a small-scale industrial concern, or

- (2) be proprietors of any trading, commercial or industrial concern, not being a small-scale industrial concern.

(3) If, in respect of any banking company, the requirements, as laid down in sub-section (2), are not fulfilled at any time, the Board of directors of such banking company shall re-constitute such Board so as to ensure that the said requirements are fulfilled.

(4) If, for the purpose of re-constituting the Board under sub-section (3), it is necessary to retire any director or directors, the Board may, by lots drawn in such manner as may be prescribed, decide which

director or directors shall cease to hold office and such decision shall be binding on every director of the Board.

(5) Where the Reserve Bank is of opinion that the composition of the Board of directors of a banking company is such that it does not fulfil the requirements of sub-section (2), it may, after giving to such banking company a reasonable opportunity of being heard, by an order in writing, direct the banking company to so re-constitute its Board of directors as to ensure that the said requirements are fulfilled and, if within two months from the date of receipt of that order, the banking company does not comply with the directions made by the Reserve Bank, that Bank may, after determining, by lots drawn in such manner as may be prescribed, the person who ought to be removed from the membership of the Board of directors, remove such person from the office of the director of such banking company and with a view to complying with the provisions of sub-section (2), appoint a suitable person as a member of the Board of directors in the place of the person so removed whereupon the person so appointed shall be deemed to have been duly elected by the banking company as its director.

(6) Every appointment, removal or reconstitution duly made, and every election duly held, under this section shall be final and shall not be called into question in any court.

(7) Every director elected or, as the case may be, appointed under this section shall hold office until the date up to which his predecessor would have held office, if the election had not been held, or, as the case may be, the appointment had not been made.

(8) No act or proceeding of the Board of directors of a banking company shall be invalid by reason only of any defect in the composition thereof or on the ground that it is subsequently discovered that any of its members did not fulfil the requirements of this section.

10B. *Banking company to be managed by whole-time chairman.*—(1) Notwithstanding anything contained in any law for the time being in force or in any contract to the contrary, every banking company in existence on the commencement of section 3 of the Banking Laws (Amendment) Act, 1968, or which comes into existence thereafter shall have a chairman of its Board of directors who shall be entrusted with the management of the whole of the affairs of the banking company:

Provided that the chairman shall exercise his powers subject to the superintendence, control and direction of the Board of directors:

Provided further that nothing in this sub-section shall apply to a banking company in existence on the commencement of the said section for a period of three months from such commencement.

(2) Every chairman of the Board of directors of a banking company shall be in the whole-time employment of such company and shall hold office for such period, not exceeding five years, as the Board of directors may fix, but shall, subject to the provisions of this section, be eligible for re-election or re-appointment:

Provided that nothing in this sub-section shall be construed as prohibiting a chairman from being a director of a subsidiary of the banking company or a director of a company registered under section 25 of the Companies Act, 1956 (1 of 1956).

(3) Every person holding office on the commencement of section 3 of the Banking Laws (Amendment) Act, 1968, as managing director of a banking company shall—

- (a) if there is a chairman of its Board of directors, vacate office on such commencement, or
- (b) if there is no chairman of its Board of directors, vacate office on the date on which the chairman of its Board of directors is elected or appointed in accordance with the provisions of this section.

(4) Every chairman of the Board of directors of a banking company shall be a person who has special knowledge and practical experience of—

- (a) the working of a banking company, or of the State Bank of India or any subsidiary bank or a financial institution, or
- (b) financial, economic or business administration:

Provided that a person shall be disqualified for being a chairman, if he—

- (a) is a director of any company other than a company referred to in the proviso to sub-section (2), or
- (b) is a partner of any firm which carries on any trade, business or industry, or
- (c) has substantial interest in any other Company or firm, or
- (d) is a director, manager, managing agent, partner or proprietor of any trading, commercial or industrial concern, or
- (e) is engaged in any other business or vocation.

(5) A chairman of the Board of directors of a banking company may, by writing under his hand addressed to the company, resign his office but shall continue in office until his successor assumes office.

(6) Without prejudice to the provisions of section 36AA, where the Reserve Bank is of opinion that any person who is, or has been elected to be, the chairman of the Board of directors of a banking company is not a fit and proper person to hold such office, it may, after giving to such person and to the banking company a reasonable opportunity of being heard, by order in writing, require the banking company to elect or appoint any other person as the chairman of its Board of directors and if, within a period of two months from the date of receipt of such order, the banking company fails to elect or appoint a suitable person as the chairman of its Board of directors, the Reserve Bank may, by order, remove the first-mentioned person from the office of the chairman of the Board of directors of the banking company and appoint a suitable person in his place whereupon the person so appointed shall be deemed to have been duly elected or appointed, as the case may be, as the chairman of the Board of directors of

such banking company and any person elected or appointed as chairman under this sub-section shall hold office for the residue of the period of office of the person in whose place he has been so elected or appointed.

(7) The banking company and any person against whom an order of removal is made under sub-section (6) may, within thirty days from the date of communication to it or to him of the order, prefer an appeal to the Central Government and the decision of the Central Government thereon, and subject thereto, the order made by the Reserve Bank under sub-section (6), shall be final and shall not be called into question in any court.

(8) Notwithstanding anything contained in this section, the Reserve Bank may, if in its opinion it is necessary in the public interest so to do, permit the chairman to undertake such part-time honorary work, as is not likely to interfere with his duties as such chairman.

(9) Notwithstanding anything contained in this section, where a person appointed as chairman dies or resigns or is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his office, the banking company may, with the approval of the Reserve Bank, make suitable arrangements for carrying out the duties of chairman for a total period not exceeding four months.

**10C. Chairman or director appointed by the Reserve Bank not to be required to hold qualification shares.**—Any director or chairman appointed by the Reserve Bank under section 10A or section 10B, as the case may be, shall not be required to hold qualification shares in the banking company.

**10D. Provisions of sections 10A and 10B to over-ride all other laws, contracts, etc.**—Any appointment or removal of a director or chairman in pursuance of section 10A or section 10B shall have effect and any such person shall not be entitled to claim any compensation for the loss or termination of office, notwithstanding anything contained in any law or in any contract, memorandum or articles of association.”

**4. Amendment of section 16.**—In section 16 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) Nothing in sub-section (1) shall apply to, or in relation to, any director appointed by the Reserve Bank.”

**5. Substitution of new section for section 20.**—For section 20 of the principal Act, the following section shall be substituted, namely:—

“20. (1) Notwithstanding anything to the contrary contained in section 77 of the Companies Act, 1956, (1 of 1956) no banking company shall,—

(a) grant any loans or advances on the security of its own shares, or

(b) enter into any commitment for granting any loan or advance to or on behalf of—

- (i) any of its directors,
- (ii) any firm in which any of its directors is interested as partner, manager, employee or guarantor, or
- (iii) any company (not being a subsidiary of the banking company or a company registered under section 25 of the Companies Act, 1956 (1 of 1956), or a Government company) of which any of the directors of the banking company is a director, managing agent, manager, employee or guarantor or in which he holds substantial interest, or
- (iv) any individual in respect of whom any of its directors is a partner or guarantor.

(2) Where any loan or advance granted by a banking company is such that a commitment for granting it could not have been made if clause (b) of sub-section (1) had been in force on the date on which the loan or advance was made, or is granted by a banking company after the commencement of section 5 of the Banking Laws (Amendment) Act, 1968, but in pursuance of a commitment entered into before such commencement, steps shall be taken to recover the amounts due to the banking company on account of the loan or advance together with interest, if any, due thereon within the period stipulated at the time of the grant of the loan or advance, or where no such period has been stipulated, before the expiry of one year from the commencement of the said section 5:

Provided that the Reserve Bank may, in any case, on an application in writing made to it by the banking company in this behalf, extend the period for the recovery of the loan or advance until such date, not being a date beyond the period of three years from the commencement of the said section 5, and subject to such terms and conditions, as the Reserve Bank may deem fit:

Provided further that this sub-section shall not apply if and when the director concerned vacates the office of the director of the banking company, whether by death, retirement, resignation or otherwise.

(3) No loan or advance, referred to in sub-section (2) or any part thereof shall be remitted without the previous approval of the Reserve Bank, and any remission without such approval shall be void and of no effect.

(4) Where any loan or advance referred to in sub-section (2), payable by any person, has not been repaid to the banking company within the period specified in that sub-section, then, such person shall, if he is a director of such banking company on the date of the expiry of the said period, be deemed to have vacated his office as such on the said date.

**Explanation.**—In this section—

(a) “loans or advance” shall not include any transaction which the Reserve Bank may,

having regard to the nature of the transaction, the period within which, and the manner and circumstances in which, any amount due on account of the transaction is likely to be realised, the interest of the depositors and other relevant considerations, specify by general or special order as not being a loan or advance for the purpose of this section;

- (b) "director" includes a member of any board or committee in India constituted by a banking company for the purpose of managing, or for the purpose of advising it in regard to the management of, all or any of its affairs.

(5) If any question arises whether any transaction is a loan or advance for the purposes of this section, it shall be referred to the Reserve Bank, whose decision thereon shall be final.

**6. Amendment of section 21.**—In section 21 of the principal Act, in sub-section (1), after the words "in the interests of depositors", the words "or banking policy" shall be inserted.

**7. Amendment of section 24.**—In section 24 of the principal Act, in sub-section (2A), in sub-clause (iii) of clause (b), for the words "any balances maintained by a scheduled bank with the State Bank of India", the words "any balances in current account maintained in India by a scheduled bank with the State Bank of India" shall be substituted.

**8. Amendment of section 30.**—In section 30 of the principal Act,—

- (a) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) The balance-sheet and profit and loss account prepared in accordance with section 29 shall be audited by a person duly qualified under any law for the time being in force to be an auditor of companies.";

- (b) after sub-section (1), the following sub-sections shall be inserted, namely:—

"(1A) Notwithstanding anything contained in any law for the time being in force or in any contract to the contrary, every banking company shall, before appointing, re-appointing or removing any auditor or auditors, obtain the previous approval of the Reserve Bank.

- (1B) Without prejudice to anything contained in the Companies Act, 1956 (1 of 1956), or any other law for the time being in force, where the Reserve Bank is of opinion that it is necessary in the public interest or in the interests of the banking company or its depositors so to do, it may direct the auditor of the banking company to audit the accounts of the banking company in relation to any transaction or class of transactions specified in the order, and the auditor shall comply with such directions

and make a report of such audit to the Reserve Bank and forward a copy thereof to the company.

- (1C) The expenses of, or incidental to, the audit of the transaction or class of transactions specified in the order made by the Reserve Bank shall be borne by the banking company."

**9. Amendment of section 34A.**—In section 34A of the principal Act, in sub-section (3), the words, brackets and figures "as defined in the State Bank of India (Subsidiary Banks) Act, 1959" (38 of 1959), shall be omitted.

**10. Amendment of section 35A.**—In section 35A of the principal Act, in sub-section (1), after clause (a), the following clause shall be inserted, namely:—

"(aa) in the interest of banking policy; or"

**11. Amendment of section 35B.**—In section 35B of the principal Act,—

- (a) in sub-section (1),—

(i) in clause (a), for the words "appointment or reappointment or remuneration of a", the words "appointment or re-appointment or termination of appointment or remuneration of a chairman, a" shall be substituted;

- (ii) for clause (b), the following clause shall be substituted, namely:—

"(b) no appointment or re-appointment or termination of appointment of a chairman, a managing or whole-time director, manager or chief executive officer by whatever name called, shall have effect unless such appointment, re-appointment or termination of appointment is made with the previous approval of the Reserve Bank.";

- (iii) in the *Explanation*, for the words "of the manager", the words "of the chairman or the manager" shall be substituted;

- (b) in sub-section (3), for the words "as a managing or whole-time director", the words "as chairman or a managing or whole-time director" shall be substituted and for the word "appointment", wherever it occurs, the words "appointment or re-appointment" shall be substituted.

**12. Amendment of section 36.**—In section 36 of the principal Act, in sub-section (1), in clause (d),—

- (i) for the words and figures "during the course, or after the completion, of any inspection of a banking company under section 35," the words "at any time, if it is satisfied that in the public interest or in the interest of banking policy or for preventing the affairs of the banking company being conducted in a manner detrimental to the interests of the banking company or its depositors it is necessary so to do," shall be substituted;

- (ii) in sub-clause (v), the words "in consequence of the State of affairs disclosed during or by the inspection" shall be omitted.

**13. Amendment of section 36AA.**—In section 36AA of the principal Act,—

- (a) in sub-section (1), for the words "any director," the words "any chairman, director," shall be substituted;
- (b) in sub-section (2),—
- (i) for the words "unless the director", the words "unless the chairman, director" shall be substituted;
- (ii) in the proviso—
- (a) for the words "the director or, as the case may be, chief executive officer", the words "the chairman or, as the case may be, director or chief executive officer" shall be substituted;
- (b) in clause (a), for the words "act as such director", the words "act as such chairman or director" shall be substituted;
- (c) in sub-section (4),—
- (i) for the words "a director", where they occur for the first time, the words "a chairman, director" shall be substituted;
- (ii) for the words "a director or, as the case may be," the words "a chairman or, as the case may be, a director" shall be substituted;
- (d) in sub-section (6), for the words "the director", the words "the chairman or director" shall be substituted;
- (e) in sub-section (7), for the words "director or chief executive officer", wherever they occur, the words "chairman, director or chief executive officer" shall be substituted.

**14. Amendment of section 36AB.**—In section 36AB of the principal Act, in sub-section (1), for the words "opinion that", the words "opinion that in the interest of banking policy or in the public interest or" shall be substituted.

**15. Insertion of new Parts IIB and IIC.**—After Part IIA of the principal Act, the following Parts shall be inserted, namely:—

#### 'PART IIB

##### PROHIBITION OF CERTAIN ACTIVITIES IN RELATION TO BANKING COMPANIES

**36AD. Punishments for certain activities in relation to banking companies.**—(1) No person shall—

- (a) obstruct any person from lawfully entering or leaving any office or place of business of a banking company or from carrying on any business there, or
- (b) hold, within the office or place of business of any banking company, any demonstration which is violent or which prevents, or is calcu-

lated to prevent, the transaction of normal business by the banking company, or

- (c) act in any manner calculated to undermine the confidence of the depositors in the banking company.

(2) Whoever contravenes any provision of sub-section (1) without any reasonable excuse shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(3) For the purposes of this section, "banking company" includes the Reserve Bank, the Industrial Development Bank of India, the State Bank of India, and any subsidiary bank.

#### PART IIC

##### ACQUISITION OF THE UNDERTAKINGS OF BANKING COMPANIES IN CERTAIN CASES

**36AE. Power of Central Government to acquire undertakings of banking companies in certain cases.**—(1) If, upon receipt of a report from the Reserve Bank, the Central Government is satisfied that a banking company—

- (a) has, on more than one occasion, failed to comply with the directions given to it in writing under section 21 or section 35A, in so far as such directions relate to banking policy, or
- (b) is being managed in a manner detrimental to the interests of its depositors,—

and that—

- (i) in the interests of the depositors of such banking company, or
- (ii) in the interest of banking policy, or
- (iii) for the better provision of credit generally or of credit to any particular section of the community or in any particular area,

it is necessary to acquire the undertaking of such banking company, the Central Government may, after such consultation with the Reserve Bank as it thinks fit, by notified order, acquire the undertaking of such company (hereinafter referred to as the acquired bank) with effect from such date as may be specified in this behalf by the Central Government (hereinafter referred to as the appointed day):

Provided that no undertaking of any banking company shall be so acquired unless such banking company has been given a reasonable opportunity of showing cause against the proposed action.

**Explanation.**—In this Part,—

- (a) "notified order" means an order published in the Official Gazette;
- (b) "undertaking", in relation to a banking company incorporated outside India, means the undertaking of the company in India.

(2) Subject to the other provisions contained in this Part, on the appointed day, the undertaking of the acquired bank and all the assets and liabilities of the acquired bank shall stand transferred to, and vest in, the Central Government.



(3) The undertaking of the acquired bank and its assets and liabilities shall be deemed to include all rights, powers, authorities and privileges and all property, whether movable or immovable, including, in particular, cash balances, reserve funds, investments, deposits and all other interests and rights in, or arising out of, such property as may be in the possession of, or held by, the acquired bank immediately before the appointed day and all books, accounts and documents relating thereto, and shall also be deemed to include all debts, liabilities and obligations, of whatever kind, then existing of the acquired bank.

(4) Notwithstanding anything contained in sub-section (2), the Central Government may, if it is satisfied that the undertaking of the acquired bank and its assets and liabilities should, instead of vesting in the Central Government, or continuing to so vest, vest in a company established under any scheme made under this Part or in any corporation (hereinafter in this Part and in the Fifth Schedule referred to as the transferee bank) that Government may, by order, direct that the said undertaking, including the assets and liabilities thereof, shall vest in the transferee bank either on the publication of the notified order or on such other date as may be specified in this behalf by the Central Government.

(5) Where the undertaking of the acquired bank and the assets and liabilities thereof vest in the transferee bank under sub-section (4), the transferee bank, shall, on and from the date of such vesting, be deemed to have become the transferee of the acquired bank and all the rights and liabilities in relation to the acquired bank shall, on and from the date of such vesting, be deemed to have been the rights and liabilities of the transferee bank.

(6) Unless otherwise expressly provided by or under this Part, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the appointed day and to which the acquired bank is a party or which are in favour of the acquired bank shall be of as full force and effect against or in favour of the Central Government, or as the case may be, of the transferee bank, and may be enforced or acted upon as fully and effectually as if in the place of the acquired bank the Central Government or the transferee bank had been a party thereto or as if they had been issued in favour of the Central Government or the transferee bank as the case may be.

(7) If, on the appointed day, any suit, appeal or other proceeding of whatever nature is pending by or against the acquired bank, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the acquired bank or of anything contained in this Part, but the suit, appeal or other proceeding may be continued prosecuted and enforced by or against the Central Government or the transferee bank, as the case may be.

### 36AF. *Power of the Central Government to make scheme.*—

(1) The Central Government may, after consultation with the Reserve Bank, make a scheme for carrying out the purposes of this Part in relation to any acquired bank.

(2) In particular, and without prejudice to the generality of the foregoing power, the said scheme may provide for all or any of the following matters, namely:—

- (a) the corporation, or the company incorporated for the purpose, to which the undertaking including the property, assets and liabilities of the acquired bank may be transferred, and the capital, constitution, name and office thereof;
- (b) the constitution of the first Board of management (by whatever name called) of the transferee bank, and all such matters in connection therewith or incidental thereto as the Central Government may consider to be necessary or expedient;
- (c) the continuance of the services of all the employees of the acquired bank (excepting such of them as, not being workmen within the meaning of the Industrial Disputes Act, 1947, (14 of 1947) are specifically mentioned in the scheme) in the Central Government or in the transferee bank, as the case may be, on the same terms and conditions so far as may be, as are specified in clauses (i) and (j) of sub-section (5) of section 45;
- (d) the continuance of the right of any person who on the appointed day, is entitled to or is in receipt of, a pension or other superannuation or compassionate allowance or benefit, from the acquired bank or any provident, pension or other fund or any authority administering such fund, to be paid by, and to receive from, the Central Government or the transferee bank, as the case may be, or any provident, pension or other fund or any authority administering such fund, the same pension, allowance or benefit so long as he observes the conditions on which the pension, allowance or benefit was granted, and if any question arises whether he has so observed such conditions, the question shall be determined by the Central Government and the decision of the Central Government thereon shall be final;
- (e) the manner of payment of the compensation payable in accordance with the provisions of this Part to the share-holders of the acquired bank, or where the acquired bank is a banking company incorporated outside India, to the acquired bank in full satisfaction of their, or as the case may be, its, claims;
- (f) the provision, if any, for completing the effectual transfer to the Central Government or the transferee bank of any asset or any liability which forms part of the undertaking

of the acquired bank in any country outside India;

- (g) such incidental, consequential and supplemental matters as may be necessary to secure that the transfer of the business, property, assets and liabilities of the acquired bank to the Central Government or transferee bank, as the case may be, is effectual and complete.

(3) The Central Government may, after consultation with the Reserve Bank, by notification in the Official Gazette, add to, amend or vary any scheme made under this section.

(4) Every scheme made under this section shall be published in the Official Gazette.

(5) Copies of every scheme made under this section shall be laid before each House of Parliament as soon as may be after it is made.

(6) The provisions of this Part and of any scheme made thereunder shall have effect notwithstanding anything to the contrary contained in any other provisions of this Act or in any other law or any agreement, award or other instrument for the time being in force.

(7) Every scheme made under this section shall be binding on the Central Government or, as the case may be, on the transferee bank and also on all members, creditors, depositors and employees of the acquired bank and of the transferee bank and on any other person having any right, liability, power or function in relation to, or in connection with, the acquired bank or the transferee bank, as the case may be.

**36AG. Compensation to be given to share-holders of the acquired bank.**—(1) Every person who, immediately before the appointed day, is registered as a holder of shares in the acquired bank or, where the acquired bank is a banking company incorporated outside India, the acquired bank, shall be given by the Central Government, or the transferee bank, as the case may be, such compensation in respect of the transfer of the undertaking of the acquired bank as is determined in accordance with the principles contained in the Fifth Schedule.

(2) Nothing contained in sub-section (1) shall affect the rights *inter se* between the holder of any share in the acquired bank and any other person who may have any interest in such shares and such other person shall be entitled to enforce his interest against the compensation awarded to the holder of such share, but not against the Central Government, or the transferee bank.

(3) The amount of compensation to be given in accordance with the principles contained in the Fifth Schedule shall be determined in the first instance by the Central Government, or the transferee bank, as the case may be, in consultation with the Reserve Bank, and shall be offered by it to all those to whom compensation is payable under sub-section (1) in full satisfaction thereof.

(4) If the amount of compensation offered in terms of sub-section (3) is not acceptable to any person to whom the compensation is payable, such person may,

before such date as may be notified by the Central Government in the Official Gazette, request the Central Government in writing, to have the matter referred to the Tribunal constituted under section 36AH.

(5) If, before the date notified under sub-section (4), the Central Government receives requests, in terms of that sub-section, from not less than one-fourth in number of the share-holders holding not less than one-fourth in value of the paid-up share capital of the acquired bank, or, where the acquired bank is a banking company incorporated outside India, from the acquired bank, the Central Government shall have the matter referred to the Tribunal for decision.

(6) If, before the date notified under sub-section (4), the Central Government does not receive requests as provided in that sub-section, the amount of compensation offered under sub-section (3), and where a reference has been made to the Tribunal, the amount determined by it, shall be the compensation payable under sub-section (1) and shall be final and binding on all parties concerned.

**36AH. Constitution of the Tribunal.**—(1) The Central Government may, for the purpose of this Part, constitute a Tribunal which shall consist of a Chairman and two other members.

(2) The Chairman shall be a person who is, or has been, a Judge of a High Court or of the Supreme Court, and, of the two other members, one shall be a person, who, in the opinion of the Central Government, has had experience of commercial banking and the other shall be a person who is a chartered accountant within the meaning of the Chartered Accountants' Act, 1949 (38 of 1949).

(3) If, for any reason, a vacancy occurs in the office of the Chairman or any other member of the Tribunal, the Central Government may fill the vacancy by appointing another person thereto in accordance with the provisions of sub-section (2), and any proceeding may be continued before the Tribunal, so constituted, from the stage at which the vacancy occurred.

(4) The Tribunal may, for the purpose of determining any compensation payable under this Part, choose one or more persons having special knowledge or experience of any relevant matter to assist it in the determination of such compensation.

**36AI. Tribunal to have powers of a civil court.**—(1) The Tribunal shall have the powers of a civil court, while trying a suit, under the Code of Civil Procedure, 1908 (5 of 1908), in respect of the following matters, namely:—

- summoning and enforcing the attendance of any person and examining him on oath;
- requiring the discovery and production of documents;
- receiving evidence on affidavits;
- issuing commissions for the examination of witnesses or documents.

(2) Notwithstanding anything contained in sub-section (1), or in any other law for the time being in

force, the Tribunal shall not compel the Central Government or the Reserve Bank,—

- (a) to produce any books of account or other documents which the Central Government, or the Reserve Bank, claims to be of a confidential nature;
- (b) to make any such books or documents part of the record of the proceedings before the Tribunal; or
- (c) to give inspection of any such books or documents to any party before it or to any other person.

36AJ. *Procedure of the Tribunal.*—(1) The Tribunal shall have power to regulate its own procedure.

(2) The Tribunal may hold the whole or any part of its inquiry in *camera*.

(3) Any clerical or arithmetical error in any order of the Tribunal or any error arising therein from any accidental slip or omission may, at any time, be corrected by the Tribunal either of its own motion or on the application of any of the parties.

**16. Amendment of section 39.**—Section 39 of the principal Act shall be re-numbered as sub-section (1) thereof and after sub-section (1), as so re-numbered, the following sub-section shall be, and shall be deemed always to have been, inserted, namely:—

“(2) Subject to such directions as may be made by the High Court, the remuneration of the official liquidator appointed under this section, the cost and expenses of his establishment and the cost and expenses of the winding up shall be met out of the assets of the banking company which is being wound up, and notwithstanding anything to the contrary contained in any other law for the time being in force, no fees shall be payable to the Central Government, out of the assets of the banking company.”.

**17. Insertion of new section 47A.**—After section 47 of the principal Act, the following section shall be inserted, namely:—

“47A. *Power of Reserve Bank to impose penalty.*—

(1) Notwithstanding anything contained in section 46, if a contravention or default of the nature referred to in sub-section (3) or sub-section (4) of section 46, as the case may be, is made by a banking company, then, the Reserve Bank may impose on such banking company—

- (a) where the contravention is of the nature referred to in sub-section (3) of section 46, a penalty not exceeding twice the amount of the deposits in respect of which such contravention was made;
- (b) where the contravention or default is of the nature referred to in sub-section (4) of section 46, a penalty not exceeding two thousand rupees; and where such contravention or default is a continuing one, a further penalty which may extend to one hundred rupees

for every day, after the first, during which the contravention or default continues.

(2) For the purpose of adjudging the penalty under sub-section (1), the Reserve Bank shall hold an inquiry in the prescribed manner after giving the banking company a reasonable opportunity of being heard.

(3) While holding an inquiry under this section, the Reserve Bank shall have power to summon and enforce the attendance of any person to give evidence or to produce any document or any other thing which, in the opinion of the Reserve Bank, may be useful for, or relevant to, the subject matter of the inquiry.

(4) No complaint shall be filed against any banking company in any court of law in respect of any contravention or default in respect of which any penalty has been imposed by the Reserve Bank under this section.

(5) Any penalty imposed by the Reserve Bank under this section shall be payable within a period of fourteen days from the date on which notice issued by the Reserve Bank demanding payment of the sum is served on the banking company and in the event of failure of the banking company to pay the sum within such period, may be levied on a direction made by the principal civil court having jurisdiction in the area where the registered office of the banking company is situated; or, in the case of a banking company incorporated outside India, where its principal place of business in India is situated:

Provided that no such direction shall be made except on an application made to the court by the Reserve Bank or any officer authorised by that Bank in this behalf.

(6) The court which makes a direction under sub-section (5) shall issue a certificate specifying the sum payable by the banking company and every such certificate shall be enforceable in the same manner as if it were a decree made by the court in a civil suit.

(7) Where any complaint has been filed against any banking company in any court in respect of the contravention or default of the nature referred to in sub-section (3) or, as the case may be, sub-section (4) of section 46, then, no proceedings for the imposition of any penalty on the banking company shall be taken under this section.”.

**18. Amendment of section 51.**—In section 51 of the principal Act,—

- (a) in clause (c) of the proviso, after the words and figures “in section 46”, the words, figures and letter “or in section 47A” shall be inserted;
- (b) the *Explanation* shall be omitted.

**19. Amendment of section 52.**—In section 52 of the principal Act, in the proviso to sub-section (3), after the words “this section”, the brackets, words, figures and letters “(including the rules made for the first time on matters specified in sections 10A and 47A)” shall be inserted.

**20. Insertion of new section after section 55.**—After section 55 of the principal Act, the following section shall be inserted, namely:—

"55A. *Power to remove difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, as occasion requires, do anything (not inconsistent with the provisions of this Act) which appears to it to be necessary for the purpose of removing the difficulty:

Provided that no such power shall be exercised after the expiry of a period of three years from the commencement of section 20 of the Banking Laws (Amendment) Act, 1968.

**21. Amendment of Part V.**—In Part V, in the provisions of the principal Act, as applied to or in relation to co-operative societies,—

(a) in section 5A, as substituted by clause (d) of section 56 of the principal Act,—

(i) in sub-section (1), for the words "this Part", the words "this Act" shall be substituted;

(ii) in sub-section (2), for the words "this part", the words "this Act" shall be substituted;

(b) in section 7, as substituted by clause (f) of the said section 56, in sub-section (2), after clause (b), the following clause shall be inserted, namely:—

"(c) any co-operative society, not being a primary credit society, formed by the employees of a banking company or the State Bank of India or any other banking institution notified by the Central Government under section 51 or the employees of a subsidiary of such banking company or the State Bank of India or, as the case may be, such banking institution."

(c) in clause (g) of the said section 56, for the word and figures "section 10", the words, figures and letters "sections 10, 10A, 10B, 10C and 10D" shall be substituted;

(d) in section 18 of the principal Act, as substituted by clause (j) of the said section 56, in the *Explanation*, for clause (c), the following clause shall be substituted, namely:—

"(c) in the case of a State or central co-operative bank, also any deposit of money with it representing the reserve fund or any part thereof required to be maintained with it by any other co-operative society within its area of operation, and in the case of a central co-operative bank, also an advance taken by it from the State co-operative bank of the State concerned;"

(e) for clause (l) of the said section 56, the following clause shall be substituted, namely:—

"(l) for section 20 of the principal Act, the following section shall be substituted, namely:—

20. *Restrictions on loans and advances.*—(1)  
No co-operative bank shall—

(a) make any loans or advances on the security of its own shares; or

(b) grant unsecured loans or advances—

(i) to any of its directors; or

(ii) to firms or private companies in which any of its directors is interested as partner or managing agent or guarantor or to individuals in cases where any of its directors is a guarantor; or

(iii) to any company in which the chairman of the Board of directors of the co-operative bank (where the appointment of a Chairman is for a fixed term) is interested as its managing agent, or where there is no managing agent, as its chairman or managing director:

Provided that nothing in clause (b) shall apply to the grant of unsecured loans or advances—

(a) made by a co-operative bank—

(i) against bills for supplies or services made or rendered to Government or bills of exchange arising out of *bona fide* commercial or trade transactions, or

(ii) in respect whereof trust-receipts are furnished to the co-operative bank;

(b) made by a primary co-operative bank to any of its directors or to any other person within such limits and on such terms and conditions as may be approved by the Reserve Bank in this behalf.

(2) Every co-operative Bank shall, before the close of the month succeeding that to which the return relates, submit to the Reserve Bank a return in the prescribed form and manner showing all unsecured loans and advances granted by it to companies in cases [other than those in which the co-operative bank is prohibited under sub-section (1) to make unsecured loans and advances] in which any of its directors is interested as director or managing agent or guarantor.

(3) If, on examination of any return submitted under sub-section (2), it appears to the Reserve Bank that any loans or advances referred to in that sub-section are being granted to the detriment of the interests of the depositors of the co-operative bank, the Reserve Bank may, by order in writing, prohibit the co-operative bank from granting any such further loans or advances

or impose such restrictions on the grant thereof as it thinks fit, and may by like order direct the co-operative bank to secure the re-payment of such loan or advance within such time as may be specified in the order.”;

- (f) in sub-section (2) of section 22, as substituted by clause (o) of the said section 56, for the proviso, the following proviso shall be substituted, namely:—

“Provided that nothing in clause (b) of sub-section (1) shall be deemed to prohibit—

- (i) a co-operative society carrying on business as a co-operative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1965 (23 of 1965), or
- (ii) a co-operative bank which has come into existence as a result of the division of any other co-operative society, or the amalgamation of other co-operative societies carrying on business in either case as a co-operative bank or banks at such commencement, or
- (iii) a primary credit society which becomes a primary co-operative bank after such commencement,

from carrying on banking business until it is granted a licence in pursuance of this section or is, by a notice in writing, notified by the Reserve Bank that the licence cannot be granted to it.”;

- (g) in sub-section (1) of section 23, as substituted by clause (p) of the said section 56, in clause (b) of the proviso, for the words “opening of branches”, the words “opening or changing the location of branches” shall be substituted;

- (h) in sub-section (2A) of section 24, as substituted by clause (q) of the said section 56, for clause (b), the following clause shall be substituted, namely:—

“(b) in computing the amount for the purpose of clause (a),—

- (i) any cash or balances maintained in India by a co-operative bank, other than a scheduled State co-operative bank, with itself or in current account with the Reserve Bank or the State Bank of India or with any other bank which may be notified in this behalf by the Central Government and also any balances maintained with the State co-operative bank of the State concerned, and, in the case of a primary co-operative bank, also any balances maintained with the central co-operative bank of the district concerned or with the State co-operative bank of the State concerned in excess of the aggregate

of the cash or balances or both required to be maintained under section 18; and

- (ii) any balance maintained by a scheduled State co-operative bank with the Reserve Bank in excess of the balance required to be maintained by it under section 42 of the Reserve Bank of India Act, 1934 (2 of 1934), and any balances in current account maintained in India by a scheduled State co-operative bank with the State Bank of India or with any other bank which may be notified by the Central Government,

shall be deemed to be cash maintained in India.

*Explanation.*—For the purposes of this sub-section,—

- (a) approved securities, or a portion thereof, representing investment of Agricultural Credit Stabilization Fund of a co-operative bank shall not be deemed to be unencumbered approved securities;
- (b) balance with the State co-operative bank of the State concerned or with the central co-operative bank of the district concerned, or a portion thereof, representing investment of Agricultural Credit Stabilization Fund of a co-operative bank shall not be deemed to be cash maintained in India;
- (c) in case a co-operative bank has taken an advance against any balance maintained with the State Bank of India or with any other bank which may be notified in this behalf by the Central Government or with the State co-operative bank of the State concerned or with the central co-operative bank of the district concerned such balance to the extent to which it has been drawn against or availed of shall not be deemed to be cash maintained in India.”;

- (i) in the proviso to sub-section (1) of section 35, as inserted by clause (w) of the said section 56, the following shall be added at the end, namely:—

“and may, if it considers it necessary and expedient so to do, supply a copy of the said report to the State co-operative bank or the Registrar of co-operative societies of the State in which the inspected bank is registered”;

- (j) in clause (zb) of the said section 56, after the word, figures and letter “Part IIA,” the word, figures and letter, “Part IIC,” shall be inserted.

**22. Insertion of new Schedule.**—After the Fourth schedule to the principal Act, the following Schedule shall be inserted, namely:—



## THE FIFTH SCHEDULE

(See section 36AG)

### PRINCIPLES OF COMPENSATION

1. The compensation to be given under section 36AG shall be an amount equal to the value of the assets of the acquired bank as on the day immediately before the appointed day, computed in accordance with the provisions of Part I of this Schedule less the total amount of liabilities thereof computed in accordance with the provisions of Part II of this Schedule.

#### Part I.—Assets

For the purposes of this Part "assets" means the total of the following:—

- (a) the amount of cash in hand and with the Reserve Bank and the State Bank of India (including foreign currency notes which shall be converted at the market rate of exchange);
- (b) the amount of balances with any bank, whether on deposit or current account, and money at call and short notice, balances held outside India being converted at the market rate of exchange;

Provided that any balances which are not realisable in full shall be deemed to be debts and valued accordingly;

- (c) the market value, as on the day immediately before the appointed day, of any securities, shares, debentures, bonds and other investments, held by the bank concerned.

*Explanation.*—For the purposes of this clause,—

- (i) securities of the Central and State Governments other than the securities specified in sub-clauses (ii) and (iii) of this *Explanation* maturing for redemption within five years from the appointed day shall be valued at the face value or the market value, whichever is higher;
- (ii) securities of the Central Government, such as Post Office Certificates and Treasury Savings Deposit Certificates and any other securities or certificates issued or to be issued under the Small Savings Scheme of the Central Government, shall be valued at their face value or the encashable value of the market value, as on the day immediately before the appointed day, whichever is higher;
- (iii) where the market value of any Government security such as the zamindari abolition bonds or other similar security in respect of which the principal is payable in instalments, is not ascertainable or is, for any reason, not considered as reflecting the fair value thereof or as otherwise appropriate, the security shall be valued at such an amount as is considered reasonable having regard to the instalments of principal and interest remaining to be paid, the period during which such instalments are payable, the yield of any security, issued by the Government to which the security pertains and having

the same or approximately the same maturity, and other relevant factors;

- (iv) where the market value of any security, share, debenture, bond or other investment is not considered reasonable by reason of its having been affected by abnormal factors, the investment may be valued on the basis of its average market value over any reasonable period;
- (v) where the market value of any security, share, debenture, bond or other investment is not ascertainable, only such value, if any, shall be taken into account as is considered reasonable having regard to the financial position of the issuing concern, the dividend paid by it during the preceding five years and other relevant factors;
- (d) the amount of advances (including loans, cash credits, overdrafts, bills purchased and discounted), and other debts, whether secured or unsecured, to the extent to which they are reasonably considered recoverable, having regard to the value of the security, if any, the operations on the account, the reported worth and respectability of the borrower, the prospects of realisation and other relevant considerations;
- (e) the value of any land or buildings;
- (f) the total amount of the premia paid, in respect of all leasehold properties, reduced in the case of each such premium by an amount which bears to such premium the same proportion as the expired term of the lease in respect of which such premium shall have been paid bears to the total term of the lease;
- (g) the written down value as per books or the realisable value, as may be considered reasonable, of all furniture, fixtures and fittings;
- (h) the market or realisable value, as may be appropriate, of other assets appearing on the books of the bank, no value being allowed for capitalised expenses, such as share selling commission, organisational expenses and brokerage, losses incurred and similar other items.

#### Part II.—Liabilities

For the purposes of this Part "liabilities" means the total amount of all outside liabilities existing on the appointed day, and all contingent liabilities which the Central Government or the transferee bank may reasonably be expected to be required to meet out of its own resources on or after the appointed day and where the acquired bank is a banking company incorporated outside India, includes the liabilities of the offices and branches in India of the acquired bank to its offices and branches outside India.

2. If the acquired bank is not incorporated in India, the assets or, as the case may be, the liabilities of the bank shall be, for the purposes of Part I and Part II, and subject to the other provisions therein, the assets and liabilities of the offices of the bank situated in India:

## COMPENSATION PAYABLE TO SHAREHOLDERS

3. Every shareholder of the acquired bank to whom the compensation is payable, shall be given such amount as compensation as bears to the total compensation, calculated in accordance with the provisions of paragraph 1, the same proportion as the amount of paid-up capital of the shares held by the shareholder bears to the total paid-up capital of the acquired bank.

## CERTAIN DIVIDENDS NOT TO BE TAKEN INTO ACCOUNT

4. No separate compensation shall be payable for any profits or any dividend in respect of any period immediately preceding the appointed day, for which, in the ordinary course, profits would have been transferred or dividend declared after the appointed day.

## CHAPTER III

## AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

**23. Amendment of section 2.**—In the Reserve Bank of India Act, 1934 (2 of 1934), (hereinafter in this Chapter referred to as the principal Act), in section 2,—

(a) to clause (cii), the following proviso shall be added, namely:—

“Provided that this sub-clause shall not apply to the admission of a co-operative bank as a member by reason of such co-operative bank subscribing to the share capital of such co-operative society out of funds provided by the State Government for the purpose.”;

(b) to clause (ciii), the following proviso shall be added, namely:—

“Provided that this sub-clause shall not apply to the admission of a co-operative bank as a member by reason of such co-operative bank subscribing to the share capital of such co-operative society out of funds provided by the State Government for the purpose.”;

(c) to clause (civ), the following proviso shall be added, namely:—

“Provided that this sub-clause shall not apply to the admission of a co-operative bank as a member by reason of such co-operative bank subscribing to the share capital of such co-operative society out of funds provided by the State Government for the purpose.”.

**24. Amendment of section 17.**—In section 17 of the principal Act,—

(1) in the proviso to clause (3A)—

(a) for sub-clause (b) of clause (i), the following sub-clause shall be substituted, namely:—

“(b) maturing not later than one hundred and eighty days from the date of the loan or advance, and it will, so long as any part of such loans and advances remains unpaid, continue to hold such bills of exchange of a value not less than the amount of such loans or advances outstanding for the time being; or”;

(b) for clause (ii), the following clause shall be substituted, namely:—

“(ii) it has granted a pre-shipment loan or advance to an exporter or any other person in India in order to enable him to export goods from India, the amount of the loan or advance drawn and outstanding at any time being not less than the outstanding amount of the loan or advance obtained by the borrowing bank from the bank.”;

(2) for clause (11A), substitute—

“(11A) the acting as agent for the Central Government,—

(a) in guaranteeing the due performance by any small-scale industrial concern, approved by the Central Government, of its obligations to any bank or other financial institution in respect of loans and advances made, or other credit facilities provided, to it by such bank or other financial institution and the making as such agent of payments in connection with such guarantee, and

(b) in administering any scheme for subsidising the rate of interest or other charges in relation to any loans or advances made, or other credit facilities provided, by banks or other financial institutions for the purpose of financing or facilitating any export from India and the making as such agent of payments on behalf of the Central Government.”;

(3) in clause (12), for the words “gold coin and bullion”, the words “gold or silver coins and gold and silver bullion” shall be substituted;

(4) after clause (15A), the following clause shall be inserted, namely:—

“(15B) the providing of facilities for training in banking and for the promotion of research, where, in the opinion of the Bank such provision may facilitate the exercise by the Bank of its powers and functions or the discharge of its duties.”.

**25. Amendment of section 24.**—For section 24 of the principal Act, the following section shall be substituted, namely:—

“24. *Denominations of notes.*—(1) Subject to the provisions of sub-section (2) bank notes shall be of the denominational values of two rupees, five rupees, ten rupees, twenty rupees, fifty rupees, one hundred rupees, five hundred rupees, one thousand rupees, five thousand rupees and ten thousand rupees or of such other denominational values, not exceeding ten thousand rupees, as the Central Government may, on the recommendation of the Central Board, specify in this behalf.

- (2) The Central Government may, on the recommendation of the Central Board, direct the non-issue or the discontinuance of issue of bank notes of such denominational values as it may specify in this behalf."

**26. Amendment of section 33.**—In section 33 of the principal Act, in sub-section (4), for the figures and word "2.88 grains", the figures and word "0.118489 grammes", and for the words "at the market rate", the words "at rates not exceeding the market rates" shall be substituted.

**27. Amendment of section 451.**—In section 451 of the principal Act, to clause (c), the following *Explanation* shall be added, namely:—

*"Explanation.*—For the removal of doubts, it is hereby declared that a company registered under section 3 of the Insurance Act, 1938 (4 of 1938), for any class of insurance business and a company, not being a banking company, a corporation or a firm, carrying on, as its principal business, the management, conduct or supervision, as the foreman or agent, of any transaction or arrangement by which it enters into an agreement with a number of subscribers that every one of them shall subscribe a certain sum by instalments for a definite period and that each subscriber in his turn, as determined by lot or by auction or by tender or in such other manner as provided for in the agreement, shall be entitled to a prize amount shall be deemed to be, a financial institution as defined in this clause."

**28. Insertion of new section 54AA.**—After section 54A of the principal Act, the following section shall be inserted, namely:—

**54AA. Power of Bank to depute its employees to other institutions.**—(1) The Bank may, notwithstanding anything contained in any law for the time being in force or in any contract, depute any member of its staff for such period as it may think fit to any institution which is either wholly or substantially owned by the Bank, and thereupon the person so deputed shall, during the period of his deputation, render such service to the institution as that institution may require.

- (2) Where a person has been deputed to an institution under sub-section (1), he shall not be entitled to claim any salary, emoluments and other terms and conditions of service which he would not have been entitled to claim if he had not been so deputed.
- (3) Nothing contained in this section shall empower the Bank to depute any member of its staff to any institution on any salary, emoluments or other terms and conditions which is or are less favourable to him than that or those to which he is entitled immediately before such deputation.
- (4) For the purposes of this section, an institution shall be deemed to be substantially owned by

the Bank if in the capital of the institution the Bank has not less than forty per cent share.

*Explanation.*—The word "capital" means, in relation to the Unit Trust, the initial capital of that Trust."

#### CHAPTER IV

##### AMENDMENTS TO THE STATE BANK OF INDIA ACT, 1955

**29. Amendment of section 33.**—In the State Bank of India Act, 1955 (23 of 1955) hereinafter in this Chapter referred to as the principal Act), in section 33,—

- (a) in sub-clause (f) of clause (i), for the words "goods which are hypothecated", the words "goods or other assets which are hypothecated or assigned" shall be substituted;
- (b) in clause (xviii), for the words "six months", the words "twelve months" shall be substituted;
- (c) in clause (xixb),—
- (i) for the words "the advancing or lending of money to", the words "the advancing or lending of money to, or discounting or purchase of any negotiable instrument on behalf of," shall be substituted;
- (ii) for the words "in excess of six months but not exceeding ten years", the words "in excess of twelve months but not exceeding fifteen years" shall be substituted;
- (d) in clause (xixc), for the words "six months", the words "twelve months" shall be substituted.

**30. Amendment of section 34.**—In section 34 of the principal Act,—

- (a) in clause (a) of sub-section (1), for the words "six months", the words "twelve months" shall be substituted;
- (b) in sub-section (3),—
- (1) for sub-clause (ii) of clause (b) (excluding the proviso), the following sub-clause shall be substituted, namely:—
- "(ii) save as otherwise provided in this Act, twelve months from the date aforesaid if the instrument or security is drawn or issued for any other purpose."
- (2) in the proviso, for the words "six months", the words "twelve months," shall be substituted.

Assented to on 27-12-1968

Act No. 56 of 1968

#### THE DEPOSIT INSURANCE CORPORATION (AMENDMENT) ACT, 1968

AN  
ACT

for further to amend the Deposit Insurance Corporation Act, 1961.

BE it enacted by Parliament in the Nineteenth Year of the Republic of India as follows:—

**1. Short title, commencement, etc.**—(1) This Act may be called the Deposit Insurance Corporation (Amendment) Act, 1968.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and for different States or for different parts thereof.

(3) Any reference in any provision inserted in the Deposit Insurance Corporation Act, 1961 (47 of 1961), (hereinafter referred to as the principal Act), by any section of this Act to the commencement of the Deposit Insurance (Amendment) Act, 1968, shall, in relation to a State or part thereof, be construed as a reference to the date on which the said section comes into force in that State or part.

**2. Substitution of references to Banking Companies Act, 1949.**—In the principal Act, for the words and figures “the Banking Companies Act, 1949”, wherever they occur, the words and figures “the Banking Regulation Act, 1949” shall be substituted.

**3. Amendment of section 2.**—In section 2 of the principal Act,—

(i) after clause (d), the following clause shall be inserted, namely:—

“(dd) “co-operative bank” means a State co-operative bank, a central co-operative bank and a primary co-operative bank;”

(ii) after clause (f), the following clause shall be inserted, namely:—

“(ff) “defunct co-operative bank” means a co-operative bank—

(i) which has been prohibited from receiving fresh deposits; or

(ii) which has been ordered or directed to be wound up; or

(iii) which has transferred all its deposit liabilities in India to any other institution; or

(iv) which has ceased to be a co-operative bank within the meaning of sub-section (2) of section 36A of the Banking Regulation Act, 1949 (10 of 1949); or

(v) which has converted itself into a non-banking co-operative society; or

(vi) in respect of which any scheme of compromise or arrangement or of reconstruction has been sanctioned under any law for the time being in force and such scheme does not permit the acceptance of fresh deposits; or

(vii) which has been granted a moratorium which is in operation; or

(viii) in respect of which an application for winding up is pending before the Registrar of Co-operative Societies or other competent authority under any law relating to co-operative societies for the time being in force in a State;”

(iii) in clause (g),—

(a) for the words “or a banking company”, the words “, a banking company or a co-operative bank” shall be substituted;

(b) for the words “with a banking company”, the words “with a banking company or a co-operative bank” shall be substituted;

(c) in sub-clause (i), after the words “where a banking company at the commencement of this Act”, the words “or where an eligible co-operative bank at the commencement of the Deposit Insurance Corporation (Amendment) Act, 1968” shall be inserted;

(iv) after clause (g), the following clause shall be inserted, namely:—

“(gg) “eligible co-operative bank” means a co-operative bank the law for the time being governing which provides that—

(i) an order for the winding up, or an order sanctioning a scheme of compromise or arrangement or of amalgamation or reconstruction, of the bank may be made only with the previous sanction in writing of the Reserve Bank;

(ii) an order for the winding up of the bank shall be made if so required by the Reserve Bank in the circumstances referred to in section 13D;

(iii) if so required by the Reserve Bank in the public interest or for preventing the affairs of the bank being conducted in a manner detrimental to the interests of the depositors or for securing the proper management of the bank, an order shall be made for the supersession of the committee of management or other managing body (by whatever name called) of the bank and the appointment of an administrator therefor for such period or periods not exceeding five years in the aggregate as may from time to time be specified by the Reserve Bank;

(iv) an order for the winding up of the bank or an order sanctioning a scheme of compromise or arrangement or of amalgamation or reconstruction of the committee of management or other managing body (by whatever name called) of the bank and the appointment of an administrator therefor made with the previous sanction in writing or on the requisition of the Reserve Bank shall not be liable to be called in question in any manner; and

(v) the liquidator or the insured bank or the transferee bank, as the case may be, shall be under an obligation to repay the Corporation in the

circumstances, to the extent and in the manner referred to in section 21;";

- (e) after clause (h) the following clause shall be inserted, namely:—

“(hh) “existing co-operative bank” means a co-operative bank carrying on the business of banking at the commencement of the Deposit Insurance Corporation (Amendment) Act, 1968, which either holds a licence at such commencement under section 22 of the Banking Regulation Act, 1949 (10 of 1949), or having applied for such licence has not been informed by notice in writing by the Reserve Bank that a licence can not be granted to it but does not include a defunct co-operative bank;”;

- (vi) for clause (i), the following clause shall be substituted, namely:—

“(i) “insured bank” means a banking company or an eligible co-operative bank for the time being registered under the provisions of this Act and includes for the purposes of sections 16, 17, 18 and 21,—

- (i) a banking company referred to in clause (a) or clause (b) of section 13, or  
(ii) a co-operative bank referred to in clause (a) or clause (b) of section 13C,

the registration whereof has been cancelled under section 13, or as the case may be, under section 13C;”;

- (vii) after clause (k), the following clause shall be inserted, namely:—

“(kk) “new co-operative bank” means a co-operative bank which begins to transact the business of banking after the commencement of the Deposit Insurance Corporation (Amendment) Act, 1968, under a licence granted to it under section 22 of the Banking Regulation Act, 1949 (10 of 1949), and includes a primary credit society becoming a primary co-operative bank after such commencement;”;

- (viii) after clause (p), the following clause shall be inserted, namely:—

“(q) the expressions “central co-operative bank”, “co-operative society”, “primary co-operative bank”, “primary credit society” and “State co-operative bank” shall have the meanings respectively assigned to them in the Reserve Bank of India Act, 1934 (2 of 1934)”.

**4. Substitution of new section for section 4.—**For section 4 of the principal Act, the following section shall be substituted, namely:—

“4. *Capital of Corporation.*—(1) The authorised capital of the Corporation shall be one crore of rupees but the Central Government may, in consultation with the Reserve Bank, increase such capital from time to time, so, however, that the total authorised capital shall not exceed five crores of rupees.

- (2) The authorised capital for the time being of the Corporation shall be fully paid-up and shall stand allotted to the Reserve Bank.”.

**5. Amendment of section 6.**—In section 6 of the principal Act, in sub-section (1),—

- (i) in clause (b), for the words “a Deputy Governor”, the words “a Deputy Governor or any other officer” shall be substituted;

- (ii) for clause (d), the following clause shall be substituted, namely:—

“(d) five directors nominated by the Central Government in consultation with the Reserve Bank, three of whom shall be persons having special knowledge of commercial banking, insurance, commerce, industry or finance and two of whom shall be persons having special knowledge of, or experience in, co-operative banking or co-operative movement, and none of the directors shall be an officer of Government or of the Reserve Bank or an officer or other employee of the Corporation or a director, an officer or other employee of a banking company or a co-operative bank or otherwise actively connected with a banking company or a co-operative bank.”.

**6. Amendment of Chapter III.**—In Chapter III of the principal Act, in the heading, after the words “BANKING COMPANIES”, the words “AND CO-OPERATIVE BANKS” shall be inserted.

**7. Insertion of new sections 13A, 13B, 13C and 13D.**—After section 13 of the principal Act, the following sections shall be inserted, namely:—

“13A. *Registration of co-operative banks.*—(1) No co-operative bank shall be registered under this section unless it is an eligible co-operative bank.

- (2) Subject as aforesaid—

- (a) the Corporation shall register every existing co-operative bank as an insured bank before the expiry of thirty days next following the commencement of the Deposit Insurance Corporation (Amendment) Act, 1968;

- (b) the Corporation shall register as an insured bank—

- (i) every new co-operative bank [other than a primary credit society becoming a primary co-operative bank after the commencement of the Deposit Insurance Corporation



(Amendment) Act, 1968] as soon as may be after it is granted a licence under section 22 of the Banking Regulation Act, 1949 (10 of 1949);

- (ii) a primary credit society becoming a primary co-operative bank after such commencement within three months of its having made an application for a licence under the said section:

Provided that a bank referred to in clause (b) shall not be so registered if it has been informed by notice in writing by the Reserve Bank that such a licence cannot be granted to it.

13B. *Registration of defunct co-operative banks.*—Every co-operative bank, being a defunct co-operative bank at the commencement of the Deposit Insurance Corporation (Amendment) Act, 1968, by reason of sub-clause (vii) or sub-clause (viii) of clause (ff) of section 2 shall, unless it becomes a defunct co-operative bank under any other sub-clause of that clause, be registered by the Corporation as an insured bank as soon as may be after the termination of the order of moratorium, or as the case may be, the rejection or dismissal of the application for its winding up provided it is an eligible co-operative bank and it either holds a licence granted under section 22 of the Banking Regulation Act, 1949 (10 of 1949), or having applied for such licence in accordance with that section, has not been informed by notice in writing by the Reserve Bank that licence cannot be granted to it.

13C. *Cancellation of registration of co-operative banks.*—The registration of a co-operative Bank as an insured bank shall stand cancelled on the occurrence of any of the following events, namely:—

- (a) if it has been prohibited from accepting fresh deposits; or
- (b) if it has been informed by notice in writing by the Reserve Bank that its licence has been cancelled under section 22 of the Banking Regulation Act, 1949 (10 of 1949), or a licence under that section cannot be granted to it; or
- (c) if it has been ordered or directed to be wound up; or
- (d) if it has transferred all its deposit liabilities in India to any other institution; or
- (e) if it has ceased to be a co-operative bank within the meaning of sub-section (2) of section 36A of the Banking Regulation Act, 1949 (10 of 1949); or
- (f) if it has converted itself into a non-banking co-operative society; or
- (g) if in respect of it any scheme of compromise or arrangement or of reconstruction has been sanctioned by a competent authority and the said scheme does not permit the acceptance

by it of fresh deposits; or

- (h) if it has been amalgamated with any other co-operative society; or
- (i) if it ceases to be an eligible co-operative bank, that is, if the law for the time being governing such co-operative bank does not provide for all or any of the matters referred to in clause (gg) of section 2.

13D. *Circumstances in which Reserve Bank may require winding up of co-operative banks.*—(1) The circumstances referred to in sub-clause (ii) of clause (gg) of section 2 (being circumstances in which the Reserve Bank may require the winding up of a co-operative bank) are the following, namely:—

- (a) that the co-operative bank has failed to comply with the requirements specified in section 11 of the Banking Regulation Act, 1949 (10 of 1949); or
  - (b) that the co-operative bank has by reason of the provisions of section 22 of the said Act become disentitled to carry on banking business in India; or
  - (c) that the co-operative bank has been prohibited from receiving fresh deposits by an order under sub-section (4) of section 35 of the said Act or under clause (b) of sub-section (3A) of section 42 of the Reserve Bank of India Act, 1934 (2 of 1934); or
  - (d) that the co-operative bank having failed to comply with any requirement of the Banking Regulation Act, 1949 (10 of 1949), other than the requirements laid down in section 11 thereof, has continued such failure or, having contravened any provision of that Act has continued such contravention beyond such period or periods as may be specified in that behalf by the Reserve Bank from time to time, after notice in writing of such failure or contravention has been conveyed to the co-operative bank; or
  - (e) that the co-operative bank is unable to pay its debts; or
  - (f) that in the opinion of the Reserve Bank—
    - (i) a compromise or arrangement sanctioned by a competent authority in respect of the co-operative bank cannot be worked satisfactorily with or without modifications, or
    - (ii) the continuance of the co-operative bank is prejudicial to the interests of its depositors.
- (2) Without prejudice to the provisions of any other law for the time being in force, a co-operative bank shall, for the purpose of clause (e) of sub-section (1), be deemed to be unable to pay its debts:—
- (i) if, on the basis of the returns, statements or information furnished to the Reserve Bank under or in pursuance of the provisions of the Banking Regulation Act, 1949 (10 of 1949),

the Reserve Bank is of opinion that the co-operative bank is unable to pay its debts; or

- (ii) if the co-operative bank has refused to meet any lawful demand made at any of its offices or branches within two working days, if such demand is made at a place where there is an office, branch or agency of the Reserve Bank, or within five working days if such demand is made elsewhere and, in either case, the Reserve Bank certifies in writing that the co-operative bank is unable to pay its debts."

**8. Amendment of section 14.**—In section 14 of the principal Act, in sub-section (1), for the words "banking company", wherever they occur, the words "banking company or co-operative bank" shall be substituted.

**9. Amendment of section 15.**—In section 15 of the principal Act, in sub-section (1), in the second proviso, after the words and figures "under section 13", the words, figures and letter "or under section 13C" shall be inserted.

**10. Amendment of section 16.**—In section 16 of the principal Act, in sub-section (1), in the first proviso, after the word and figures "section 13", the words, brackets, letters and figures "or clause (a) or clause (b) of section 13C" shall be inserted.

**11. Amendment of section 17.**—In section 17 of the principal Act,—

- (i) in sub-section (2), for the words and figures "to each depositor of the insured bank in respect of his deposit the amount payable under section 16 either directly or through the liquidator or through any other agency as the Corporation may determine", the following words, figures, brackets and letters shall be substituted, namely:—  
"the amount payable under section 16 in respect of the deposit of each depositor—  
(a) directly to the depositor, or  
(b) to the depositor through such agency as the Corporation may determine, or  
(c) to the liquidator.";

- (ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Where the Corporation pays under sub-section (2), any amount in respect of the deposit of a depositor to the liquidator, the liquidator shall pay or cause to be paid that amount to the depositor and any expenses incurred by the liquidator in making such payment shall be treated as expenses incurred in the winding up of the insured bank."

**12. Amendment of section 36.**—In section 36 of the principal Act, in sub-section (1), after the words "of its officers", the words "or through such other person or agency as the Reserve Bank may determine" shall be inserted.

**13. Amendment of section 42.**—In section 42 of the principal Act, for the words "or any other person

authorised by the Corporation", the words "or any other person or agency authorised by the Corporation or the Reserve Bank" shall be substituted.

**14. Amendment of section 48.**—In the Explanation to section 48 of the principal Act,—

- (i) in clause (a), after the words "and includes", the words "a co-operative society or" shall be inserted;  
(ii) in clause (b), after the words "in the firm", the words "and in relation to a co-operative society includes any member of a committee of management or other managing body (by whatever name called) to which the management of the affairs of the bank is entrusted" shall be inserted.

Assented to on 28-12-1968.

Act No. 59 of 1968.

## THE ESSENTIAL SERVICES MAINTENANCE ACT, 1968

AN  
ACT

to provide for the maintenance of certain essential services and the normal life of the community.

BE it enacted by Parliament in the Nineteenth Year of the Republic of India as follows:—

**1. Short title, extent and duration.**—(1) This Act may be called the Essential Services Maintenance Act, 1968.

(2) It extends to the whole of India:

Provided that it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this Act relate to Union employees.

(3) It shall cease to have effect on the expiry of three years from the date of commencement of this Act except as respects things done or omitted to be done before such cesser of operation of this Act, and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser of operation of this Act as if it had then been repealed by a Central Act.

**2. Definitions.**—(1) In this Act,—

- (a) "essential service" means—  
(i) any postal, telegraph or telephone service;  
(ii) any railway service or any other transport service for the carriage of passengers or goods by land, water or air with respect to which Parliament has power to make laws;  
(iii) any service connected with the operation or maintenance of aerodromes, or with the operation, repair or maintenance of aircraft;  
(iv) any service connected with the loading, unloading, movement or storage of goods in any port;  
(v) any service connected with the clearance of goods or passengers through the customs or with the prevention of smuggling;  
(vi) any service in any mint or security press;  
(vii) any service in any defence establishment of the Government of India;

- (viii) any service in connection with the affairs of the Union, not being a service specified in any of the foregoing sub-clauses;
- (ix) any other service connected with matters with respect to which Parliament has power to make laws and which the Central Government being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the Official Gazette, declare to be an essential service for the purposes of this Act;
- (b) "strike" means the cessation of work by a body of persons employed in any essential service acting in combination or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or to accept employment, and includes—
  - (i) refusal to work overtime where such work is necessary for the maintenance of any essential service;
  - (ii) any other conduct which is likely to result in, or results in, cessation or substantial retardation of work in any essential service.
- (2) Every notification issued under sub-clause (ix) of clause (a) of sub-section (1) shall be laid before each House of Parliament immediately after it is made if it is in session and on the first day of the commencement of the next session of the House if it is not in session, and shall cease to operate at the expiration of forty days from the date of its being so laid or from the re-assembly of Parliament, as the case may be, unless before the expiration of that period a resolution approving the issue of the notification is passed by both Houses of Parliament.

*Explanation.*—Where the Houses of Parliament are summoned to re-assemble on different dates, the period of forty days shall be reckoned from the later of those dates.

**3. Power to prohibit strikes in certain employments.**—(1) If the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special Order, prohibit strikes in any essential service specified in the Order.

(2) An Order made under sub-section (1) shall be published in such manner as the Central Government considers best calculated to bring it to the notice of the persons affected by the Order.

(3) An Order made under sub-section (1) shall be in force for six months only, but the Central Government may, by a like Order, extend it for any period not

exceeding six months if it is satisfied that in the public interest it is necessary or expedient so to do.

(4) Upon the issue of an Order under sub-section (1),—

- (a) no person employed in any essential service to which the Order relates shall go or remain on strike;
- (b) any strike declared or commenced, whether before or after the issue of the Order, by persons employed in any such service shall be illegal.

**4. Penalty for illegal strikes.**—Any person who commences a strike which is illegal under this Act or goes or remains on, or otherwise takes part in, any such strike shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred rupees, or with both.

**5. Penalty for instigation, etc.**—Any person who instigates, or incites other persons to take part in or otherwise acts in furtherance of, a strike which is illegal under this Act shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

**6. Penalty for giving financial aid to illegal strikes.**—Any person who knowingly expends or supplies any money in furtherance or support of a strike which is illegal under this Act shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

**7. Power to arrest without warrant.**—Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (5 of 1898), any police officer may arrest without warrant any person who is reasonably suspected of having committed any offence under this Act.

**8. Act to override other laws.**—The provisions of this Act and of any Order issued thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law for the time being in force.

**9. Repeal and saving.**—(1) The Essential Services Maintenance Ordinance, 1968 (9 of 1968), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act, as if this Act had come into force on the 13th day of September, 1968.

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भाग ७—भारतीय निर्वाचन आयोग (Election Commission of India) की वैधानिक अधिसूचनाएं  
तथा अन्य निर्वाचन सम्बन्धी अधिसूचनाएं

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शून्य

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